

THE FEDERAL JUDICIARY

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$529.856	\$558.585	\$614.581
Goal 3	<u>69.626</u>	<u>74.677</u>	<u>83.818</u>
Total	\$599.482	\$633.262	\$698.399
Drug Resources by Function			
Corrections	\$161.751	\$169.603	\$186.955
Prosecution	364.921	385.517	423.913
Research and Development	3.184	3.465	3.713
Treatment	<u>69.626</u>	<u>74.677</u>	<u>83.818</u>
Total	\$599.482	\$633.262	\$698.399
Drug Resources by Decision Unit			
Salaries and Expenses	\$476.241	\$499.837	\$548.462
Defender Services	77.599	82.382	90.238
Fees of Jurors	20.837	20.040	21.202
Court Security	6.550	8.361	8.953
Administrative Office	4.945	5.200	5.601
Federal Judicial Center	0.875	0.875	0.924
Sentencing Commission	4.245	4.620	4.950
Violent Crime Reduction Trust Fund:			
Mandatory Drug Testing for Federal Prisoners	2.000	3.700	5.936
Management and Administration	<u>6.190</u>	<u>8.247</u>	<u>12.133</u>
Total	\$599.482	\$633.262	\$698.399
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,738	5,922	6,186
Information			
Total Agency Budget	\$3,174.3	\$3,367.2	\$3,701.3
Drug Percentage	18.9%	18.8%	18.9%

II. METHODOLOGY

- The drug portion of the Judiciary's budget is estimated by applying the percentage of drug related activity experienced in each appropriation to the current appropriation or requested funding. The percentages are developed by analyzing the workload of each component of the Judiciary, and then rounded to the nearest five percent before application. The percentages are updated each year in September to reflect the most recent drug workload information available.

III. PROGRAM SUMMARY

- The federal Judiciary is organized geographically into 12 Judicial Circuits and 94 Districts, each with supporting offices, such as the Office of the Clerk of the Court, Central Legal Staff, Probation and Pretrial Services Offices, and Bankruptcy Courts. The courts receive administrative support from the Administrative Office of the U. S. Courts and research and training services from the Federal Judicial Center. In

addition to personnel and court operating expenses, Judiciary costs include payments to jurors, payments to defense attorneys for indigent defendants, court reporting and interpreting, and court facility security.

- The Judiciary’s drug resources support Goals 2 and 3 of the National Drug Control Strategy as described below:
- The Judiciary supports Goal 2 by playing a unique role in the criminal justice continuum. The resources identified with this goal represent an estimate of the Judiciary’s resources associated with drug cases, trials, defendants, and associated costs. These costs relate to the ONDCP’s Prosecution, Corrections, and Research and Development functions.
- The Judiciary supports Goal 3 through its federal probation and pretrial services drug testing and treatment programs. These resources support court ordered drug testing, drug treatment, and supervision of federal defendants, probationers, parolees, and supervised releasees.

IV. BUDGET SUMMARY

1998 Program

- The total 1998 enacted level includes \$633.3 million and 5,922 FTEs. This provides \$558.6 million for prosecution, corrections, and research and development in support of Goal 2 activities and \$74.7 million for drug treatment activities under Goal 3.

Goal 2: Increase the safety of America’s citizens by substantially reducing drug-related crime and violence.

- The 1998 level of \$558.6 million supports Goal 2 by providing adjudication of federal drug laws, representation for indigent individuals accused under these laws, and the supervision of offenders and defendants. Drug-related workload is identified by the types of cases being heard as well as the offenses of the individuals needing counsel or under supervision.
- These resources will be used to support the following drug control activities:
 - **Salaries and Expenses**—provides salaries, benefits, and other operating expenses of judges and support personnel for the United States courts of appeals, district courts, and bankruptcy courts in support of probation and pretrial services staff to supervise federal defendants and those under post-conviction release.
 - **Defender Services**—provides effective representation for any person financially unable to obtain adequate representation in federal criminal and certain related proceedings.
 - **Fees of Jurors and Commissioners**—provides funding for jurors involved in drug cases.
 - **Court Security**—covers U.S. Marshals Service costs to provide security for judicial areas at court-houses and in federal facilities housing court operations.
 - **Administrative Office of the United States Courts**—provides professional support, analysis, program management, and oversight for the federal judiciary.

- **Federal Judicial Center**—provides education and training for judges, probation and pretrial services officers, and other federal court personnel.
- **United States Sentencing Commission**—covers costs related to the establishment, review, and revision of sentencing guidelines, policies, and practices of drug cases.
- **Violent Crime Reduction Trust Fund**—provides resources to implement the provisions of the Violent Crime Control and Law Enforcement Act of 1994 and the Antiterrorism and Effective Death Penalty Act of 1996.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The 1998 level of \$74.7 million is related primarily to the testing and treatment of federal defendants and offenders by the probation and pretrial services offices. Probation and pretrial services officers have primary responsibility for enforcing conditions of release imposed by the courts and for monitoring the behavior of persons placed under their supervision. With the oversight of the Administrative Office of the United States Courts, officers administer a program of substance abuse testing and treatment for persons on pretrial release, probation, supervised release, and parole. The goal is to eliminate substance abuse by persons under supervision and to remove violators from the community before relapse leads to recidivism.

1999 Request

- The total FY 1999 drug control budget request is \$698.4 million, an increase of \$65.1 million over the FY 1998 enacted level.

Goal 2: Increase the safety of America’s citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999, including increases for inflation, pay increases, additional representations, and the increased costs of ongoing activities, is \$614.6 million, a net increase of \$56 million over the enacted FY 1998 level. The request does not include any specific drug program enhancements. Rather, the request reflects increases to maintain current services with increasing drug-related workload.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 activities for FY 1999, including increases for inflation, pay increases, additional representations, and the increased costs of ongoing activities, is \$83.8 million, a net increase of \$9.1 million over the enacted FY 1998 level. The request does not include any specific drug program enhancements. Rather, the request reflects increases to maintain current services with increasing drug-related workload. Also, Judiciary will receive \$4.7 million from the Department of Justice to continue the President’s drug testing initiative for federal defendants.

V. PROGRAM ACCOMPLISHMENTS

- During FY 1997, the Judiciary achieved a number of significant accomplishments in their drug control program. These include:
 - The development and implementation of the Simplified Procurement Procedures for drug and mental health treatment services, training 160 field personnel on the new procedures.
 - The final phase of the Sweat Patch Pilot program was completed in 40 districts in FY 1997. The sweat patch is a new drug testing device which detects illicit drugs through perspiration rather than urine. This reduces the offender's window of opportunity to use illicit drugs by providing detection over an extended period of time.
 - The Judiciary completed, and distributed to the field, an evaluation of non-instrumented drug testing devices (hand-held kits). The report identified the best devices for use as screening tests and provided the average cost for purchasing the devices. It is estimated the report will save the Judiciary significant funds in procuring the devices since officers will no longer depend on the manufacturer for guidance. The report was reviewed by forensic scientists at the Department of Health and Human Services, and they have accepted it as a comprehensive, valid, and important study for publishing in the field of drug testing.
 - Expanded the use of the Substance Abuse Treatment Module to track expenditures for treatment and urine testing.
 - Reviewed several drug assessment instruments with a view toward standardizing the intake process for matching offenders with appropriate services.
 - Solicited for a national urine testing contract for probation and pretrial services offices. Review and evaluation of offers has been completed; award is pending.

ASSETS FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$389.888	\$410.000	\$419.600
Goal 5	<u>5.112</u>	<u>6.000</u>	<u>10.400</u>
Total	\$395.000	\$416.000	\$430.000
Drug Resources by Function			
State and Local Assistance	\$218.985	\$221.900	\$236.400
Investigations	158.129	170.000	168.800
Prosecution	14.774	20.100	19.300
International	<u>3.112</u>	<u>4.000</u>	<u>5.500</u>
Total	\$395.000	\$416.000	\$430.000
Drug Resources by Decision Unit			
Definite Budget Authority	\$23.000	\$23.000	\$23.000
Permanent Indefinite	371.200	393.000	407.000
Unobligated Super Surplus	<u>0.800</u>	<u>0.000</u>	<u>0.000</u>
Total	\$395.000	\$416.000	\$430.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$395.0	\$416.0	\$430.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All Department of Justice Asset Forfeiture Funds are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Comprehensive Crime Control Act of 1984 established the Justice Department's Assets Forfeiture Fund (AFF), into which forfeited cash and the proceeds of the sale of forfeited properties are deposited. Most assets are forfeited because they were used in or acquired as a result of, violations of racketeering, money laundering, or drug trafficking statutes.
- Until December 1994, the fund was administered by the Executive Office for Asset Forfeiture, Office of the Deputy Attorney General. Since that time, that fund has been administered by the Asset Forfeiture Management Staff, Justice Management Division.

- The AFF supports Goal 2, “Increase the safety of America’s citizens by substantially reducing drug-related crime and violence” and Goal 5, “Break foreign and domestic drug sources of supply” of the National Drug Control Strategy. The AFF funds may be used for several purposes:
 - Asset Management Expenses. These include expenses incurred in connection with the seizure, inventory, appraisal, packaging, movement, storage, maintenance, security, and disposition (including destruction) of assets.
 - Other Asset Specific Expenses. These include case-specific expenses incurred in connection with normal proceedings undertaken to perfect the United States’ interest in seized property through forfeiture. Such expenses include fees and other costs of advertising, translation, court reporting, expert witness fees, courtroom exhibit services, travel, and subsistence related to a specific proceeding, and other related items. Also included are payments of qualified third party interests, such as expenses incurred in the payment of valid liens, mortgages, and ownership interests pursuant to court order or a favorable ruling on a petition for remission or mitigation of the forfeiture.
 - Equitable Sharing Payments. These include distributions of the net proceeds (after recovering direct costs) of forfeitures to foreign governments and to state and local law enforcement agencies in proportion to the degree of their direct participation in the law enforcement effort that resulted in the forfeiture.
 - Program Management Expenses. These include expenses incurred in carrying out forfeiture program responsibilities that are not related to any one specific asset or to any one specific seizure or forfeiture (e.g., audits and evaluations). Also included are expenses of forfeiture related automated data processing; contracting for services directly related to the processing of and accounting for assets and forfeiture cases; forfeiture-related printing and graphic services; asset seizure and forfeiture training; the storage, protection, and destruction of controlled substances; and contracting for services directly related to the identification of forfeitable assets.
 - Investigative Expenses. These include certain specific expenses incurred in support of, or in furtherance of criminal investigations. Current authorities provide (1) awards for information or assistance directly related to violations of the criminal drug laws of the United States or of Sections 1956 and 1957 of Title 18, Sections 5313 and 5324 of Title 31, and Section 6050I of the Internal Revenue Code of 1986, or leading to a civil or criminal forfeiture by any Federal agency participating in the Fund; (2) purchases of evidence of any violation of the controlled Substances Act, the Controlled Substances Import and Export Act, RICO, or 18 U.S.C. 1956 and 1957; and (3) equipping of conveyances for law enforcement functions.
 - Other Uses. These include payments under the permanent indefinite portion of the fund for overtime salaries, travel, fuel, training, equipment, and similar costs incurred by state or local law enforcement officers in a joint law enforcement operation with a Federal law enforcement agency participating in the fund.
 - Transfers to Other Accounts. These reflect the transfer to other accounts of proceeds in excess of the amounts required for the above activities. Congress provided for excess funds, if any, to be transferred to the Bureau of Prisons (1988-1989), the U.S. Attorneys (1989), and the Special Forfeiture Fund (1990-1997). Title 28 U.S.C. 524(c)(8)(E) provides for the use of any remaining excess balance by the Attorney General for any federal law enforcement, litigative/prosecutive, and correctional activities, or any other authorized purpose of the Department of Justice.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 level totals \$416 million, which includes \$23 million in definite authority and \$393 million in permanent indefinite authority. In addition, \$72.7 million in unobligated Super Surplus funds in FY 1998 have not been allocated, and therefore, that portion (if any) that would be applied to drug control programs is not known. For that reason, funding from that source is not included in the above drug control resource summary table.
- The FY 1998 program level includes \$410 million for state and local assistance, investigative and prosecution activities in support of Goal 2 of the National Drug Control Strategy and \$6 million for investigative and prosecution activities, as well as for international drug-trafficking activities which support Goal 5 of the Strategy.
- Deposits to the fund are estimated at \$418 million for FY 1998, including interest earned on the Bank of Credit and Commerce International (BCCI) balances (\$2 million) which is not available for general operations of the Fund. Though this estimate represents a decrease of \$27.6 million from FY 1997 receipts of \$445.6 million, receipts to the AFF continue to remain above the FY 1996 level of \$334.1 million.
- Equitable sharing with foreign, state, and local governments is expected to be \$196 million in FY 1998, approximately 46.8 percent of the total deposits to the fund.

1999 Request

- The FY 1999 drug control budget request totals \$430 million, an increase of \$14 million over FY 1998 levels. The \$14 million increase is in the permanent indefinite part of the fund. The funding increase will result in larger allocations to federal law enforcement agencies for investigative expenses, including award payments.
- Included in the FY 1999 \$430 million request is \$23 million in definite authority and \$407 million in permanent indefinite authority. The drug control request resource distribution includes \$419.6 million for Goal 2 activities and \$10.4 million to support Goal 5 activities.
- Based on current projections, receipts to the Fund in FY 1999 will be \$440 million, including interest earned on the BCCI balances (\$10 million) which is not available for general operations of the Fund.

V. PROGRAM ACCOMPLISHMENTS

- At the end of 1997, a total of 27,659 seized assets were on hand, including \$612.6 million on deposit in the Seized Asset Deposit Fund, \$49 million in cash seizures not on deposit, 1,505 real properties valued at \$202.7 million, 21 businesses valued at \$6.2 million, and 16,539 other assets with an estimated value of \$311.5 million.

UNITED STATES ATTORNEYS

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	<u>\$164.841</u>	<u>\$185.128</u>	<u>\$207.237</u>
Total	\$164.841	\$185.128	\$207.237
Drug Resources by Function			
Prosecution	<u>\$164.841</u>	<u>\$185.128</u>	<u>\$207.237</u>
Total	\$164.841	\$185.128	\$207.237
Drug Resources by Decision Unit			
Criminal Litigation	\$140.712	\$144.912	\$159.725
Legal Education	1.923	1.990	2.059
Management & Administration	8.995	9.309	9.631
Crime Bill	<u>13.211</u>	<u>28.917</u>	<u>35.822</u>
Total	\$164.841	\$185.128	\$207.237
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,400	1,495	1,613
Information			
Total Agency Budget	\$978.1	\$1,035.3	\$1,107.0
Drug Percentage	16.8%	17.9%	18.7%

II. METHODOLOGY

- The methodology for calculating this account's drug-related resources is based on the percentage of time spent on drug-related cases by United States Attorneys. Fiscal years 1998 and 1999 drug control estimates are adjusted to accommodate planned program changes and enhancements.

III. PROGRAM SUMMARY

- This budget supports the federal drug control priorities under Goal 2, "Increase the safety of America's citizens by substantially reducing drug-related crime and violence" by supporting programs that reduce drug-related crime and violence, as well as programs that investigate and prosecute illegal drug manufacturers and traffickers.
- The US Attorneys are the principal litigators for the federal government, operating 94 district offices. They have three major decision units that support drug-related missions: Criminal Litigation, Legal Education, and Management and Administration. US Attorneys investigate, prepare, and prosecute federal violations of controlled substances, money laundering, drug trafficking, and violent and organized crime. Each judicial district office maintains a Law Enforcement Coordinating Committee, which assesses local crime problems and solutions with other Federal and local officials. US Attorneys frequently cross-designate State and local attorneys during investigations and prosecutions, as well as provide on-going legal education.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 drug-related resources include \$185.1 million and 1,495 FTEs which support Goal 2 of the National Drug strategy through prosecution activities.
- In addition, the United States Attorneys anticipates receiving \$77.4 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 request includes \$207.2 million and 1,613 FTEs in drug-related resources which support Goal 2 of the National Drug strategy through prosecution activities. This represents an increase of \$22.1 million over the 1998 level. Program enhancements include \$8.9 million and 48 FTEs for US Attorney's Narcotics and Dangerous Drugs program. This enhancement includes the following components:
 - disrupt and dismantle major domestic and international drug organizations along all points of the production, transportation, and distribution chain;
 - make full use of financial investigative techniques to identify and convict drug traffickers;
 - continue implementation and expansion of the National Methamphetamine Strategy, in concert with the Drug Enforcement Administration, to disrupt production and trafficking; and
 - expand prosecutive support for the Drug Enforcement Administration's Five-Year Heroin Plan.
- In addition, the US Attorneys anticipates receiving \$79.8 million in reimbursable funding for its ICDE activities.

V. PROGRAM ACCOMPLISHMENTS

- In the **Eastern District of Texas**, two brothers were convicted on February 27, 1997, in a jury trial, on charges of conspiracy to manufacture and distribute methamphetamine. The trial concluded a two and one-half year investigation of methamphetamine manufacturing and distribution in Texas that resulted in 12 conspiracy convictions of 10 years-to-life and three money laundering convictions. Nine major sources of methamphetamine who distributed in Texas, Oklahoma, Arkansas, and Louisiana were convicted. Sentences imposed to date include mandatory life, eleven years and six months, and seven years and three months.
- In the **District of South Carolina**, three major drug dealers were sentenced on September 4, 1997, to lengthy prison terms for their involvement in a cocaine and crack cocaine trafficking enterprise that shipped thousands of kilos of the drugs to five East Coast states and into Pennsylvania and Illinois. Two of the defendants have prior drug trafficking convictions and were each sentenced to life imprisonment. A third drug dealer pled guilty on the eve of trial and was sentenced to nine years in prison. The first defendant operated out of South Carolina, and the second defendant, his supplier, resided in Miami. The supplier, who shipped to numerous other dealers, made millions of dollars with which he purchased several expensive pieces of property, including lavish horse farms in Naples, Florida, and

Louisville, Kentucky. The first defendant also purchased property, including a residence used for drug distribution which was commonly known as “The Compound” or “The Ranch.” He was ordered to forfeit this property and \$1.5 million. The defendants were the last of approximately 50 drug dealers convicted in the investigation.

- In the **Eastern District of Washington**, a jury found three defendants guilty on January 29, 1997, of multiple counts of conspiracy to manufacture, import, and distribute methamphetamine from Canada to California. The defendants ran their drug manufacturing operation in several clandestine laboratories, including an underground laboratory on an isolated farm in Eastern Oregon, and used a complex distribution and profit-collection scheme. The defendants had ties to militia groups in the Northwest. The Royal Canadian Mounted Police assisted the Drug Enforcement Agency and California and Oregon law enforcement agencies in the investigation.

BUREAU OF PRISONS

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$1,817.655	\$1,909.109	\$2,140.083
Goal 3	<u>25.224</u>	<u>26.135</u>	<u>26.559</u>
Total	\$1,842.879	\$1,935.244	\$2,166.642
Drug Resources by Function			
Corrections	\$1,817.655	\$1,909.109	\$2,140.083
Treatment	<u>25.224</u>	<u>26.135</u>	<u>26.559</u>
Total	\$1,842.879	\$1,935.244	\$2,166.642
Drug Resources by Decision Unit			
Inmate Care and Programs	\$574.018	\$658.891	\$715.623
Institution Security and Administration	764.537	852.104	918.100
Contract Confinement	143.052	154.302	158.324
Management and Administration	72.318	84.121	88.098
New Construction	188.460	95.053	205.357
Modernization and Repair	76.448	64.638	54.581
Crime Bill:			
Inmate Care and Programs	<u>24.046</u>	<u>26.135</u>	<u>26.559</u>
Total	\$1,842.879	\$1,935.244	\$2,166.642
Drug Resources Personnel Summary			
Total FTEs (direct only)	16,837	18,726	19,349
Information			
Total Agency Budget	\$2,995.9	\$3,102.9	\$3,473.1
Drug Percentage	61.5%	62.4%	62.4%

II. METHODOLOGY

- The drug control percentages are based on the number of inmates currently incarcerated or projected to be incarcerated for drug convictions.

III. PROGRAM SUMMARY

- The mission of BOP is to protect society by confining offenders in the controlled environments of prisons and community-based facilities that are safe, humane, and appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 drug-related resources include \$1,935.2 million and 18,726 FTEs. The following provides a breakdown of the FY 1998 resources Strategy goal.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 drug-related resources for Goal 2 totals \$1,909.1 million. FY 1998 resources will enable the BOP to provide custodial care for over 105,000 federal inmates confined in BOP facilities, house over 7,000 federal inmates in state, local, and private correctional institutions, house over 5,250 inmates in contract Community Correction Centers, and confine over 1,350 inmates at home.
- In addition, the following functions will be funded from the \$1,909.1 million in FY 1998 in support of Goal 2:
 - expenditures associated with the administration, operation, and maintenance of federal penal and correctional institutions and contract care;
 - new construction and modernization and repair costs; and

Goal 3: Reduce health and social costs to the public of illegal drug use.

- In FY 1998 BOP's drug treatment resources will total \$26 million. These resources will accommodate the projected prison population in FY 1998. BOP estimates that 30.5 percent of the sentenced inmate population are "drug dependent" and require some type of drug abuse treatment program.
- Specifically, these resources will continue to support BOP's comprehensive drug abuse treatment strategy consisting of the following four components:
 - **Residential Drug Abuse Program**—This is a voluntary program with a length of stay of six to twelve months (varies by facility/program). It provides unit-based living with extensive assessment, treatment planning, and individual and group counseling.
 - **Drug Abuse Education**—This program provides the inmate with specific instruction on the risks involved in drug use and abuse; presents strategies toward living a drug-free lifestyle, while introducing the inmate to the concepts of drug treatment; and motivates the inmate to volunteer for participation in the Bureau's residential drug abuse treatment program.
 - **Non-residential Drug Abuse Counseling Services**—This program offers the flexibility for those who do not meet the requirements for the residential drug abuse treatment program. This program is also available for aftercare treatment, as needed once an inmate has completed the residential treatment program.
 - **Community Transition Programs**—These programs are available to inmates who have completed the Residential Drug Abuse Treatment program and are released to the community under Bureau custody, and still in Bureau custody as part of their community program plan, to assist in the adjustment back into society.

1999 Request

- The FY 1999 drug-related request includes resources of \$2,166.6 million and 19,349 FTEs. This represents an increase of \$231.4 million and 623 FTEs over FY 1998 levels. The following provides a breakdown of the FY 1999 request by Strategy goal.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1999 request totals \$2,140.1 million, an increase of \$231 million over FY 1998 levels. Included in the \$231 million is a \$205 million enhancement for new prison construction to accommodate the D.C. Sentenced Felons. This level of funding will permit additional construction of three federal correctional institutions and partial funding of a fourth federal correction institution. These facilities will provide additional capacity to accommodate the space requirements for the D.C. Sentenced Felon inmates in accordance with the D.C. Revitalization Act.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- BOP's FY 1999 drug treatment request totals \$26.6 million, an increase of \$0.4 million over FY 1998 levels. No program enhancements are being requested.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, a report on the first phase of the BOP Residential Drug Abuse Treatment (RDAT) program evaluation was produced. The study followed male and female inmates from various BOP treatment programs. The results compared the six-month post-release outcomes for inmates who entered and graduated from RDAT to a comparison group of inmates with drug abuse histories who did not receive drug treatment. The results showed that individuals who completed residential treatment were less likely to be arrested for a new offense. The drug treatment program graduates were also less likely to test positive for drug use during the first six months after release.
- In FY 1997, 12,960 inmates participated in Drug Abuse Education programs; 4,733 inmates participated in Non-residential Drug Abuse Treatment programs; 7,895 inmates participated in RDAT programs; and 5,315 inmates participated in Community Transition programs.
- Since 1990, 86,929 inmates participated in Drug Abuse Education programs, 14,369 inmates participated in Non-residential Drug Abuse Treatment programs; 28,396 inmates participated in RDAT programs; and 13,977 inmates participated in Community Transition Services.

COMMUNITY ORIENTED POLICING SERVICES

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	<u>\$414.500</u>	<u>\$471.900</u>	<u>\$468.600</u>
Total	\$414.500	\$471.900	\$468.600
Drug Resources by Function			
State and Local Assistance	<u>\$414.500</u>	<u>\$471.900</u>	<u>\$468.600</u>
Total	\$414.500	\$471.900	\$468.600
Drug Resources by Decision Unit			
Public Safety and Community Policing	\$407.500	\$455.200	\$452.800
Police Corps	0.700	9.900	6.600
Program Administration	<u>6.300</u>	<u>6.800</u>	<u>9.200</u>
Total	\$414.500	\$471.900	\$468.600
Drug Resources Personnel Summary			
Total FTEs (direct only)	48	61	83
Information			
Total Agency Budget	\$1,256.0	\$1,430.0	\$1,420.0
Drug Percentage	33.0%	33.0%	33.0%

II. METHODOLOGY

- The proportion of total resources estimated for drug-related programs in the FY 1999 request remains at 33%, the same percentage included in the previous Drug Budget Submissions. The methodology employed to estimate the proportion of total COPS resources used for drug-related programs was jointly developed by the Department of Justice and the Office of National Drug Control Policy, based on the assumption that approximately one-third (33%) of the functions performed by police officers are drug-related, particularly since a significant amount of law enforcement activities are directed towards drug infested neighborhoods, drug trafficking-related problems, and drug prevention efforts.

III. PROGRAM SUMMARY

- Statutory authority for the COPS program is provided by the Violent Crime Control and Law Enforcement Act of 1994. Authority for this program expires in FY 2000. The President's FY 1999 Budget does not assume continued funding for COPS beyond FY 2000. The COPS program, which includes grant resources to fund police hiring, redeployment, training, technical assistance, and evaluation programs, is a critical component of the Administration's National Drug Control Strategy. The COPS' program supports Goal 2, "Increase the safety of America's citizens by substantially reducing drug-related crime and violence" of the National Drug Control Strategy. This goal will be accomplished by increasing the effectiveness of local police through the implementation of community and problem-oriented policing with a focus on youth and gang violence, drug-related homicides, and domestic violence.

- The COPS program will empower communities in collaboration with law enforcement agencies to reduce the incidence of violence, crime and drug use in America. Safe and healthy community environments need to be created for children, adolescents, and adults through prevention of drug use, reduction of domestic drug-related crime and violence, the improvement of law enforcement capabilities, and the strengthening of partnerships between the local, state, and federal law enforcement communities.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 enacted drug control program includes \$471.9 million for state and local assistance activities which support Goal 2 of the National Drug Control Strategy. Specifically, the FY 1998 drug control program includes \$455.2 million for Public Safety and Community Policing Grants, \$9.9 million for Police Corps, \$6.8 million for Program Administration, and provides for 61 FTEs.

1999 Request

- The COPS' total FY 1999 drug control requested level for Goal 2 activities is 83 FTEs and \$468.6 million, a reduction of \$3.3 million from the FY 1998 level. This request includes \$452.8 million for Public Safety and Community Policing Grants, \$9.2 million for Management and Administration, and \$6.6 million for the Police Corps program.

V. PROGRAM ACCOMPLISHMENTS

- The COPS Office supports the continued hiring of police officers toward the goal of funding an additional 100,000 police officers and sheriff's deputies by the end of FY 2000, and has provided funding for a cumulative total of approximately 83,000 additional police officers and sheriff's deputies through the end of FY 1998.

CRIMINAL DIVISION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 5	<u>\$25.900</u>	<u>\$27.720</u>	<u>\$29.470</u>
Total	\$25.900	\$27.720	\$29.470
Drug Resources by Function			
Prosecution	\$22.390	\$23.780	\$25.290
International	<u>3.510</u>	<u>3.940</u>	<u>4.180</u>
Total	\$25.900	\$27.720	\$29.470
Drug Resources by Decision Unit			
Organized Crime and Narcotics	\$7.900	\$8.630	\$9.690
International	3.510	3.940	4.180
Litigation Support	11.120	11.670	12.020
Management and Administration	<u>3.370</u>	<u>3.480</u>	<u>3.580</u>
Total	\$25.900	\$27.720	\$29.470
Drug Resources Personnel Summary			
Total FTEs (direct only)	221	227	233
Information			
Total Agency Budget	\$88.2	\$93.4	\$98.8
Drug Percentage	29.4%	29.7%	29.8%

II. METHODOLOGY

- The Criminal Division's drug budget figures are derived by estimating the level of involvement of each component in drug-related activities. Within each of the drug-related decision units, each component is required to estimate the percentage of work/time that is spent addressing drug-related issues in relation to the goals and objectives of the National Drug Control Strategy. This percentage is then applied against each component's overall resources to develop an estimate of those resources dedicated to counternarcotics activities.

III. PROGRAM SUMMARY

- The Criminal Division programs support Goal 5, "Break foreign and domestic drug sources of supply" of the National Drug Control Strategy. The following are some of the Criminal Division's key drug-related components:
- Organized Crime and Racketeering Section (OCRS) efforts go towards destroying the major trafficking organizations by convicting and incarcerating their leaders. OCRS resources are used to ensure that indictments are properly secured, that organized crime cases are prosecuted, and that overall organized crime prosecution policies are developed and implemented.

- The Narcotic and Dangerous Drug Section (NDDS) develops innovative investigative and prosecutorial methods, enhancing the effectiveness of federal, state, and local law enforcement task forces. The Narcotic and Dangerous Drug Section is intimately involved with efforts towards prosecuting the organizations and individuals behind drug production and trafficking, both domestically and abroad.
- The Office of International Affairs (OIA) promotes interdiction efforts through bilateral and multi-lateral agreements. These agreements lay the groundwork for enhanced intelligence sharing, and cooperation towards interdiction strategies. OIA helps identify and cement relations with those countries who have the political will to stop traffickers from using their national territories to produce or transport narcotics.
- The Asset Forfeiture and Money Laundering Section (AFMLS) provides legal advice and assistance in the conduct of civil and criminal forfeiture litigation and the development of policies which incorporate asset forfeiture into an overall law enforcement program.

IV. BUDGET SUMMARY

1998 Program

- FY 1998 drug-related resources total \$27.7 million and 227 FTEs. These resources are used for prosecution and international support activities, which support Goal 5 of the National Drug Control Strategy.
- In addition, the Criminal Division anticipates receiving \$0.7 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 drug control budget request is \$29.5 million and 233 FTEs. This represents an increase of \$1.8 million and 6 FTEs over the FY 1998 enacted level. Included in the \$1.8 million increase is \$0.5 million for program enhancements involving transnational narcotic matters. Program enhancements include:
 - expand counterdrug activities in the Caribbean Basin,
 - continue development, and begin coordination of the Department's Heroin Strategy,
 - enhance bilateral cooperation between the US and Mexico, and
 - improve counterdrug coordination among intelligence and law enforcement communities.
- In addition, the Criminal Division anticipates receiving \$0.8 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

- During the past year, NDDS trial attorneys prosecuted Southwest Border cases involving more than 68,124 kilograms of cocaine, 26,281 kilograms of marijuana, 556 kilograms of methamphetamine, and 21 kilograms of heroin; and prosecuted cases in Puerto Rico involving a total of more than 17,233 kilograms of cocaine, 7,817 kilograms of marijuana, and 201 kilograms of heroin. In FY 1997, the Section obtained 53 indictments and 37 convictions in OCDETF cases. In addition, the Section provided litigation support to US Attorneys through 265 Title III wiretap application responses; 35 witness security request responses; 32 S-Visa application responses; and 47 sensitive or classified application responses.
- NDDS attorneys, in concert with the Judicial Attache at the US Embassy in Bogota, worked with counterparts in Colombia and Mexico in the investigation and prosecution of major narcotics offenders and money launderers, and in the disruption of the Cali Cartel's investment of narcotics trafficking proceeds in legitimate and front companies outside the US. In Colombia, NDDS has worked with the Department of the Treasury to identify 282 companies and frontpersons that are owned or controlled by, or act on behalf of, the leaders of the Cali Cartel, and imposed sanctions on them pursuant to the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Sections 1701-1706. IEEPA sanctions have closed bank accounts, disrupted wholesale supply networks, and caused the isolation of Cartel-owned or controlled companies in international financial systems.
- NDDS attorneys also conducted a variety of training, provided assistance in drafting counter-narcotics legislation, and distributed instructional manuals to foreign countries to promote effective law enforcement and conformity to international standards.
- In FY 1997, the Office of International Affairs' negotiated new extradition treaties with Antigua, Argentina, Dominica, Hong Kong, and Luxembourg were signed, and extradition treaties with Belgium, Bolivia, Hungary, Switzerland, and the Philippines entered into force. Also, in FY 1997 new Mutual Legal Assistance treaties (MLATs) were signed with Antigua, Australia, Dominica and Hong Kong, and the MLAT treaties with the Philippines and the UK entered into force.
- In FY 1997, the Asset Forfeiture and Money Laundering Section (AFMLS) assisted foreign nations (Brazil, Uruguay, Ecuador, and Colombia) by making recommendations on proposed forfeiture laws, culminating in Colombia's enactment of effective legislation to combat the enormous wealth of drug cartel leaders. AFMLS joined Mexico and Switzerland to pursue a potential \$100 million in forfeiture case; sought the sale of French real estate valued at several million dollars that had been forfeited from an international drug trafficker; and the return by Liechtenstein of \$17 million, the first time ever that country assisted in returning assets.

DRUG ENFORCEMENT ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$4.298	\$3.291	\$3.369
Goal 2	144.273	181.779	188.104
Goal 5	908.332	1,014.932	1,063.497
Total	\$1,056.903	\$1,200.002	\$1,254.970
Drug Resources by Function			
Investigations	\$765.790	\$830.499	\$881.807
Intelligence	71.969	96.358	100.482
International	195.650	253.655	253.013
State and Local Assistance	16.285	11.900	12.393
Prevention	4.298	3.291	3.369
Research and Development	2.911	4.299	3.906
Total	\$1,056.903	\$1,200.002	\$1,254.970
Drug Resources by Decision Unit			
Domestic Enforcement	\$265.428	\$322.891	\$375.327
Foreign Coop Investigations	85.273	—	6.325
Diversion Control	7.752	23.415	26.396
State and Local Task Forces	17.867	—	—
Intelligence	61.210	81.282	84.783
Laboratory Services	29.869	1.514	4.126
Training	25.541	18.131	18.313
Research, Engineering, and Technical Operations	100.765	148.547	125.088
ADP and Telecommunications	52.708	52.151	55.684
Management and Administration	107.457	82.266	84.218
Construction	32.083	8.000	8.000
Drug Diversion Control Fee Account	61.951	58.268	61.710
Crime Control Act	208.999	403.537	405.000
Total	\$1,056.903	\$1,200.002	\$1,254.970
Drug Resources Personnel Summary			
Total FTEs (direct only)	6,230	7,047	7,587
Information			
Total Agency Budget	\$1,056.9	\$1,200.0	\$1,255.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All of the Drug Enforcement Administration's (DEA's) resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- DEA is the lead Federal agency for the enforcement of narcotics and controlled substance laws and regulations. The agency's priority mission is the long-term immobilization of major drug trafficking organizations through the removal of their leaders, termination of their trafficking networks and seizure of their assets.

- The DEA program provides support to three goals of the National Drug Control Strategy
 - Goal 1 Educate and enable America’s youth to reject illegal drugs as well as the use of alcohol and tobacco;
 - Goal 2 Increase the safety of America’s citizens by substantially reducing drug-related crime and violence; and
 - Goal 5 Break foreign and domestic sources of supply.
- DEA, in its unique capacity as the world’s leading drug law enforcement agency, pursues organizations and individuals responsible for the production and distribution of illegal drugs worldwide. DEA’s legal mandate and professional responsibilities provide clear, concise, and dynamic leadership in the national and international drug control effort. DEA uses both traditional and innovative drug control approaches to accomplish its single mission of drug law enforcement. Domestically, the agency cooperates and coordinates with other federal agencies and countless state and local law enforcement organizations to reduce the availability of illegal drugs. Internationally, DEA conducts investigations and liaisons with drug law enforcement officials worldwide. DEA gains support from the host nations for drug control and strengthens their enforcement efforts and capabilities.
- Three major goals drive DEA’s resource requirements. These goals address intelligence, enforcement, and law enforcement assistance:
 - Identify the major drug threats and define the criminal activities of drug organizations and gangs that threaten Americans most, and support the intelligence needs of U.S. law enforcement managers and policy makers.
 - Disrupt/dismantle the leadership, command, control and infrastructure of drug syndicates, gangs and traffickers of licit and illicit drugs that threaten Americans and American interest.
 - Provide assistance to American communities to fight drug-related crime and violence.

IV. BUDGET SUMMARY

1998 Program

- DEA’s total FY 1998 direct appropriated resources include \$1,200 million and 7,047 FTEs. FY 1998 direct appropriated resources by Strategy goal are highlighted below.

Goal 1: Educate and enable America’s youth to reject illegal drugs as well as the use of alcohol and tobacco.

- In FY 1998, DEA will spend \$3.3 million for demand reduction programs which provides leadership, coordination, and resources for drug prevention and education in each of DEA’s 21 domestic field divisions. These programs are operated by 22 special agents, known as Demand Reduction Coordinators, who have a broad range of experience in dealing with law enforcement, community groups, young people, employers, educators, health care professionals, and others.

- The priorities for this program include: Anti-Legalization Education; Training for Law Enforcement Personnel; Youth Programs; Support for Community-Based Coalitions; and, Sports Drug Awareness Programs.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 program will provide \$181.8 million for programs that support Goal 2 of the National Drug Control Strategy. Activities to be funded in FY 1998 include:
 - **State and Local Assistance:** provides a diverse, creative, and all-encompassing federal response to the multi-faceted and complex drug problem to state and local law enforcement agencies. State and local assistance expands the work force under DEA's supervision; provides state and local officers with special equipment and conveyances when needed for DEA undercover operations; contributes substantial intelligence to DEA's databases; and achieves enhanced cooperation with local banks, thus improving DEA's ability to obtain emergency flash rolls and temporary storage of funds.
 - **Mobile Enforcement Teams (METs):** provides a supportive role in investigations that are targeted by state and local agencies based on their own local priorities. The mission of the METs is to dismantle drug organizations by securing the conviction and incarceration of those individuals dealing drugs and causing violence in these communities. DEA's METs are specifically designed to deal with the most violent and dangerous elements of drug trafficking—organized violent drug trafficking organizations.

Goal 5: Break foreign and domestic drug sources of supply.

- DEA's FY 1998 program will include \$1,014.9 million to support Goal 5 activities. Following are some of the law enforcement activities to be funded in FY 1998:
 - **Domestic Cannabis Eradication/Suppression Program:** provides a federal, state, and local response for identifying, and destroying marijuana production sites situated throughout the United States.
 - **Domestic Enforcement Program:** includes the investigative operations of DEA's 21 field divisions and the operational coordination functions located at DEA Headquarters. The program employs the bulk of DEA's special agents and uses a variety of sophisticated investigative tools. They rely on information obtained from informants, internal intelligence sources, as well as the input of other federal, state, and local law enforcement organizations. The program's financial investigations identify and trace assets subject to seizure and forfeiture which leads to the destruction of the economic bases supporting drug trafficking enterprises.
 - **Research, Engineering and Technical Operations:** provides new technology and scientific support to the operational elements of DEA; enhancing technical equipment, aircraft, and personnel resources to improve investigative capabilities and personnel safety; and improving the speed, mobility, vantage, and maneuverability qualities unique to aircraft operations.
 - **Foreign Cooperative Investigations Program (FCIP):** advises, assists, and encourages foreign governments to develop effective drug control strategies. DEA also works with foreign governments and law enforcement agencies to investigate international trafficking organizations and chemical diversion and drug money laundering activities; and participates in bilateral and multilateral drug

suppression programs. DEA's FCIP now includes resources for foreign Special Enforcement Operations/ Programs (SEO/P), including OPBAT and the Northern Border Response Force (NBRF).

- **Intelligence:** is comprised of four components: financial, operational, strategic, and the El Paso Intelligence Center (EPIC). The Intelligence Program also provides leadership in the National Drug Intelligence Center (NDIC). The Financial Intelligence program focuses on fiscal aspects of the drug trade by identifying the development of financial conspiracy. DEA's Operational Intelligence program gathers, organizes, and analyzes information to support active drug investigations. The Strategic Intelligence program produces comprehensive assessments and reports of drug trafficking patterns, availability levels, and consumption rates and averages. The National Drug Intelligence Center is a DOJ multi-agency facility with participation from a host of federal agencies, that provide comprehensive analyses of drug trafficking and trafficking organizations. It should be noted that this program supports both Goal 2 and Goal 5 activities.
 - **Drug and Chemical Diversion Control:** directs DEA's worldwide drug and chemical diversion control activities which include diversion investigations, domestic and international diversion control, registration, voluntary compliance, state assistance, industry liaison and associated support programs.
- In addition, DEA anticipates receiving \$96.6 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 budget for DEA includes a request of \$1,255 million and 7,587 FTEs, an increase of \$55 million over FY 1998 levels. The following provides a breakdown of the FY 1999 request by Strategy goal.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The total request for goal 1 activities for FY 1999 is \$3.4 million, an increase of \$0.1 million over the FY 1998 level. This increase covers projected program costs increases but does not provide for any new program enhancements in FY 1999.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1999 request for Goal 2 totals \$188.1 million, an increase of \$6.3 million over the FY 1998 level. This increase covers the projected costs of the current program and does not include any program enhancements.

Goal 5: Break foreign and domestic drug sources of supply.

- The FY 1999 request for Goal 5 totals \$1,063.5 million, a net increase of \$48.6 million over the FY 1998 level. The net increase includes program enhancements of \$61.8 million offset by base adjustments of \$13.2 million. Some of the key program enhancements include:
 - **Methamphetamine Initiative:** \$24.5 million and 223 positions (including 100 special agents) to fund a comprehensive approach for attacking methamphetamine abuse, a deadly and rapidly growing epidemic. Implementation of this initiative includes: \$13.7 million and 156 positions (100

agents) for increased enforcement to target methamphetamine trafficking organizations; \$5.3 million and 67 positions (50 diversion investigators) to increase chemical diversion investigations; \$1 million to purchase clandestine laboratory trucks; \$0.4 million to establish a National Clandestine Laboratory Database, and \$4.1 million for hazardous waste cleanup of clandestine laboratory sites.

- **Domestic Heroin Initiative:** \$12.9 million and 148 positions (including 95 special agents) to continue implementing a five-year heroin initiative that targets heroin trafficking within the United States. The key objective is to reduce the domestic availability and the purity of heroin. The resources requested in this enhancement would allow DEA to establish 8 additional heroin enforcement groups (12 agents per group) with the necessary support staff.
 - **Caribbean Corridor Strategy:** \$9.8 million and 90 positions (including 54 special agents) to continue implementation of the Caribbean Corridor Strategy by strengthening DEA's capability to deter the flow of drugs transiting Puerto Rico and the 26 island nations. This includes the establishment of a new country office in Trinidad - Tobago, and expanding several foreign offices in the Caribbean including: Barbados, Curaco, Jamaica, Haiti, and the Dominican Republic.
 - **Asian Heroin Trafficking:** \$2 million and 7 positions (including 5 special agents) to open new country offices in Hanoi, Vietnam, and Tashkent, Uzbekistan, and expand agent staffing at the Manila Country Office in the Philippines.
 - **Mexican Initiative:** \$1.4 million to strengthen law enforcement activities in Mexico. The primary purpose is to determine specifically how cocaine and heroin originating from Colombia, Bolivia, and Peru transits Mexico, and how Mexican drug trafficking groups control cocaine smuggling.
- In addition, DEA anticipates receiving \$99.6 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

OPERATION META

- The first multi-district wiretap investigation that targeted a significant U.S. methamphetamine trafficking organization. Further, the domestic organization has identifiable links to the Amezcua-Contreras organization in Mexico, which is believed to supply the Operation Meta targets not only with methamphetamine and precursor chemicals but also some of their cocaine. This OCDETF investigation, which is part of the Southwest Border Initiative, involves a coordinated effort by DEA, FBI, USCS, IRS, and USMS along with various state and local law enforcement agencies.
- To date, this investigation has led to the seizure of 1,100 kilograms of cocaine, 133 pounds of methamphetamine, 1,676 pounds of marijuana, 50 grams of heroin, \$2,265,208 in suspected drug profits, and 12 weapons. One-hundred three state and local arrests have occurred as part of this investigation. Additionally, three clandestine laboratories have been seized in California as part of this investigation.

MOBILE ENFORCEMENT TEAM (MET) DEPLOYMENTS

- **National City, California**—a MET was requested to address the problem of increasing violent criminal activity associated with members of the “Old Town National City” (OTNC) gang. The primary drugs distributed in the National City area are methamphetamine and heroin. At the conclusion of the deployment, 41 individuals were arrested including 14 “OTNC” targeted gang members and associates. This deployment effectively dismantled the notorious “OTNC” gang and revealed a connection between the “OTNC” and the Mexican mafia. A total of 17 heroin, 35 methamphetamine and three cocaine purchases were made during the deployment. Additionally, the MET teamed up with state officials to develop a strategy to close down three bar/restaurants utilized by gang members for drug trafficking purposes.
- **Marietta, Georgia**—a MET was requested to assist in dismantling specific drug organizations responsible for drug distribution and related violence in the local neighborhood. Two of the biggest crack cocaine dealers in Marietta were arrested. A total of 47 arrests were made and seizures included: 42 pounds of marijuana, 3 pounds of methamphetamine, 4 weapons, \$5,000 in jewelry, \$61,650 in US currency, and seven residences valued at \$906,500.

OPERATION RECIPROCITY AND LIMELIGHT

- Two significant cases in 1997, Operation Reciprocity and Operation Limelight, graphically illustrate how international organized criminal drug syndicates carry out their work within the United States. Both of these cases clearly demonstrated the nexus between high level traffickers headquartered in Mexico, in this case, the Amado Carillo Fuentes organization, and his organizations located in numerous U.S. cities. The Amado Carillo Fuentes organization was deeply involved in a sophisticated drug operation that stretched from Mexico to New York, Chicago, Grand Rapids, Michigan, Tuscon and other areas of the United States. At one point, several independent and non-connected investigations were being conducted in Texas, Arizona, Illinois, Michigan and New York. Eventually these separate cases were combined into the umbrella investigation which is now known as Reciprocity/Limelight.
- Operation Reciprocity resulted in 40 arrests, the seizure of \$11 million in cash, 7.4 tons of cocaine and 2,700 pounds of marijuana. Operation Limelight resulted in the seizure of over 4,000 kilos of cocaine, almost 11,000 pounds of marijuana and over \$7 million in cash, and the arrest of 48 people.

FEDERAL BUREAU OF INVESTIGATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$181.300	\$186.538	\$193.641
Goal 5	<u>620.914</u>	<u>638.851</u>	<u>720.502</u>
Total	\$802.214	\$825.389	\$914.143
Drug Resources by Function			
Investigations	\$737.957	\$752.268	\$837.083
Intelligence	29.682	30.715	33.632
International	6.498	13.687	13.859
Research and Development	<u>28.077</u>	<u>28.719</u>	<u>29.569</u>
Total	\$802.214	\$825.389	\$914.143
Drug Resources by Decision Unit			
Organized Criminal Enterprises	\$195.681	\$353.903	\$393.226
White-Collar Crime	72.996	80.759	83.728
Violent Crimes	298.002	196.643	213.876
Training, Recruitment and Applicant	31.730	11.657	11.994
Forensic Services	12.434	24.328	25.031
Information Management, Automation and Telecommunications	69.100	29.595	30.450
Technical Field Support and Services	28.922	20.768	21.454
Criminal Justice Services	28.416	41.382	42.577
Management and Administration	31.162	25.601	26.340
Crime Bill	<u>33.771</u>	<u>40.753</u>	<u>40.467</u>
Subtotal	\$802.214	\$825.389	\$889.143
Carrier Compliance ¹	<u>\$0.000</u>	<u>—</u>	<u>\$25.000</u>
Total	\$802.214	\$825.389	\$914.143
Drug Resources Personnel Summary			
Total FTEs (direct only)	6,003	6,058	6,058
Information			
Total Agency Budget	\$3,335.3	\$2,977.0	\$3,114.7
Drug Percentage	24.1%	27.7%	29.3%
¹ The President's Budget Request will include FY 1999 funding for the Communications Assistance for Law Enforcement Act (CALEA) in the Justice General Administration Account. For display purposes, the Budget Summary includes this funding within FBI's request.			

II. METHODOLOGY

- The FBI's anti-drug program is a combination of three components: (1) determine the percentage of personnel resources within the Organized Criminal Enterprises that is drug-related and apply that percentage to remaining decision unit resources, (2) calculate a percent of total cost based on crime statistics from the Bureau of Justice Statistics, and (3) direct costs related to drug specific projects.

III. PROGRAM SUMMARY

- The FBI is charged with investigating all violations of federal laws with the exception of those which have been assigned by legislation to other agencies. The FBI's jurisdiction includes a wide range of responsibilities in the civil, criminal, and security fields. Among these are terrorism, kidnaping, extortion, bank robbery, interstate transportation of stolen property, civil rights matters, interstate gambling violations, narcotics violations, fraud against the Government, and assault or murder of the President or a federal officer.
- In the area of drug enforcement, the FBI supports Goal 2, "Increase the safety of America's citizens by substantially reducing drug-related crime and violence" and Goal 5, "Break foreign and domestic drug sources of supply" of the National Drug Control Strategy by identifying, disrupting and dismantling core trafficking organizations through long-term, sustained investigations aimed at dismantling trafficking networks, arresting their leadership, and seizing and forfeiting their assets. The program is structured to enhance the FBI's drug intelligence base, identify trends and make projections, concentrate resources in major centers of drug trafficking activity, and provide assistance to other law enforcement agencies.

IV. BUDGET SUMMARY

1998 Program

- FBI's FY 1998 budget includes \$825.4 million and 6,058 FTEs which support Goal 2 and Goal 5 of the National Drug Control Strategy. The following provides a summary of FY 1998 resources by Strategy goal.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 funding for Goal 2 totals \$186.5 million. These resources will fund FBI investigations with other federal, state, and local law enforcement agencies, to identify the major domestic violent street gang/drug enterprises which pose significant threats to the integrity of American society and pursue these gangs through the sustained, proactive, multi-divisional, coordinated investigations that support successful prosecution.

Goal 5: Break foreign and domestic drug sources of supply.

- The FY 1998 funding for Goal 5 activities totals \$638.9 million. This funding includes resources for the FBI's Southwest Border operations, Caribbean operations and Resolution 6 and Legal Attache program.
- In addition, the FBI anticipates receiving \$105.7 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 drug control request totals \$914.1 million and 6,058 FTEs, an increase of \$88.8 million over FY 1998 levels. The following provides a summary of the FY 1999 drug control request by Strategy goal.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1999 drug control request for Goal 2 activities totals \$193.6 million, an increase of \$7.1 million over the FY 1998 level. This increase covers projected program cost increases, but does not provide for any new program enhancement in FY 1999.

Goal 5: Break foreign and domestic drug sources of supply.

- The FY 1999 drug control request for Goal 5 totals \$720.5 million, an increase of \$81.7 million over the FY 1998 level. This increase covers projected program cost increases and includes a \$25 million program enhancement for the Carrier Compliance program
- The Carrier Compliance program enhancement will enable law enforcement to continue deployment of developed capabilities on priority switching platform types and associated Intelligent Network Peripherals in geographic areas of highest priority to law enforcement.
- In addition, the FBI anticipates receiving \$108.8 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

- "Operation Reciprocity" targeted various cells of the Amado Carillo-Fuentes Organization (ACFO) in ten United States cities. This investigation was a multi-jurisdictional, multi-agency investigation conducted by the FBI, Drug Enforcement Administration, and United States Customs Service. This operation, initiated in October 1996, was based on information received from a Los Angeles FBI cooperating defendant. This investigation involved coordinated efforts in New York, El Paso, Sacramento, San Diego, Phoenix, Detroit, Albuquerque, Chicago, Boston, and Philadelphia. Several sensitive investigative techniques were used throughout the duration of this investigation, including 35 court-ordered Title III's. From evidence developed from this investigation, 53 high-level operatives of the ACFO were arrested on various charges including conspiracy, distribution, money laundering, and importation. Those members arrested held positions in the ACFO organization such as load drivers, distribution heads, cell managers, and drug brokers. An additional result of this investigation was the seizure of 7.4 tons of cocaine, 2,794 pounds of marijuana, and \$11 million in US currency. This operation significantly disrupted the drug trafficking activity of the ACFO. Its dramatic impact and demonstrated success are directly attributable to the close coordinated efforts of the various law enforcement agencies involved.
- In late November, 1996 the Richmond, Virginia Police Department and the FBI culminated a joint two-year investigation of a Jamaican drug-trafficking gang. This investigation resulted in the arrest of 22 members of this gang. This gang established a thriving drug business in an historic community in Richmond. The gang members controlled their territory by committing "drive-by" shootings and execution-style homicides. Because of this investigation, 33 individuals were indicted on many federal charges to include RICO, continuing criminal enterprise, and conspiracy to distribute "crack" cocaine. To date, 22 persons have pled guilty from this investigation.

FEDERAL PRISONER DETENTION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
	1997 Actual	1998 Enacted	1999 Request
Drug Resources by Goal			
Goal 2	\$221.739	\$246.399	\$278.980
Total	\$221.739	\$246.399	\$278.980
Drug Resources by Function			
Corrections	\$221.739	\$246.399	\$278.980
Total	\$221.739	\$246.399	\$278.980
Drug Resources by Decision Unit			
Care of U.S. Prisoners	\$221.739	\$246.399	\$278.980
Total	\$221.739	\$246.399	\$278.980
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$364.7	\$405.3	\$450.8
Drug Percentage	60.8%	60.8%	61.9%

II. METHODOLOGY

- The drug percentage is based on the number of prisoners in cell blocks with drug-related offenses. Drug-related percentages are determined annually.

III. PROGRAM SUMMARY

- The Federal Prisoner Detention supports Goal 2, “Increase the safety of America’s citizens by substantially reducing drug-related crime and violence” of the National Drug Control Strategy by fostering the safety of American citizens through incarceration of Federal prisoners waiting trial or sentencing. This account provides resources for the U.S. Marshals Service to contract with state and local detention facilities for the boarding of federal prisoners until they are released or incarcerated in a federal institution.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 program includes a total amount of \$246.4 million for drug-related activities which support Goal 2 of the National Drug Control Strategy.

1999 Request

- The FY 1999 drug control program request totals \$279 million, an increase of \$32.6 million over the FY 1998 level. The requested funding will provide resources to cover the projected increase in the number of jail days.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, the number of jail days of prisoners arrested on drug-related charges totaled 5,605,921.

IMMIGRATION AND NATURALIZATION SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$118.896	\$164.804	\$173.553
Goal 4	144.024	170.864	192.142
Goal 5	<u>61.177</u>	<u>64.651</u>	<u>73.419</u>
Total	\$324.097	\$400.319	\$439.114
Drug Resources by Function			
Interdiction	\$143.525	\$170.344	\$191.604
Investigations	59.137	62.249	70.027
Intelligence	2.040	2.402	3.392
Research and Development	0.499	0.520	0.538
Corrections	<u>118.896</u>	<u>164.804</u>	<u>173.553</u>
Total	\$324.097	\$400.319	\$439.114
Drug Resources by Decision Unit			
Inspections	\$22.654	\$23.418	\$25.558
Border Patrol	97.003	106.315	124.639
Investigations	56.514	58.323	62.882
Detention and Deportation	69.659	61.747	69.821
Intelligence	2.040	2.402	3.392
Training	4.253	2.264	2.284
Data and Communications Systems	1.822	1.876	1.805
Breached Bond Detention Fund	—	57.739	35.111
Crime Bill	<u>70.152</u>	<u>86.235</u>	<u>113.622</u>
Total	\$324.097	\$400.319	\$439.114
Drug Resources Personnel Summary			
Total FTEs (direct only)	2,573	2,883	3,127
Information			
Total Agency Budget	\$2,154.7	\$2,501.4	\$2,750.2
Drug Percentage	15.0%	16.0%	16.0%

II. METHODOLOGY

- The percentage used to develop the drug budget for the Immigration and Naturalization Service (INS) reflects estimated workyears devoted to INS' drug missions. The two largest components of the INS drug program, in terms of total resources, are the Border Patrol program and Detention and Deportation program activities. The INS calculates 15 percent of the Border Patrol's and 25 percent of the Detention and Deportation's resources as drug-related. In addition, INS includes resources for Investigations (24 percent), Inspections (15 percent), Intelligence (26 percent), Training (15 percent), Data and Communications (2 percent), and Research and Development (73 percent) in support of its border and interior enforcement mission. In addition, beginning with FY 1998, INS began scoring its Breached Bond Detention Fund as being a drug-related account. This reflects the merger of the Immigration Detention Account, authorized in the Illegal Immigration Reform and Immigrant Responsibility Act, P.L. 104-208, with the Breached Bond Detention Fund.

III. PROGRAM SUMMARY

- The INS is responsible for the admission, control, and removal of aliens within the United States. As an ancillary activity, the INS detects and apprehends drug smugglers and illegal aliens used to transport drugs at or near the border between ports-of-entry. The INS also cooperates with other federal agencies in locating, apprehending, and removing alien drug traffickers at ports-of-entry and within the interior of the United States, and in escorting alien witnesses in the United States to testify in drug trials.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 drug control program level is \$400.3 million, 2,883 FTEs. This level will enable INS to increase its interdiction and its detention program activities, as well as maintain its baseline activities in most other program areas. The following provides a breakdown of FY 1998 resources by Strategy goal:

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 resource level is \$164.8 million and 707 FTEs for the Detention and Deportation program will allow the Service to identify, detain and remove record numbers of illegal aliens in FY 1998.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The FY 1998 resource level is \$170.9 million and 1,541 FTEs. Included in this funding are resources to allow the Border Patrol to expand a strategy of "prevention through deterrence" along the southwest border, with increased agents and force-multiplying technology. Also, included in the FY 1998 program is funding for the Inspections program to sustain facilitation and control admissions at all ports-of-entry, especially the southwest border.

Goal 5: Break foreign and domestic drug sources of supply.

- The FY 1998 drug control resources of \$64.7 million and 635 FTEs for the Investigations program will allow the Service to continue the investigation and apprehension of aliens who commit major criminal offenses, as well as interview and identify deportable aliens that are incarcerated in local and county jails. These resources will also allow INS to establish an enforcement presence in select county and city jails that contain deportable criminal aliens.
- In addition, INS anticipates receiving \$10.4 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 drug control budget request for the INS totals \$439.1 million and 3,127 FTEs, an increase of \$38.8 million and 244 FTEs over the FY 1998 level. The drug control enhancements requested by Strategy goal, include the following:

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total funding requested for Goal 2 includes \$173.6 million, a net increase of \$8.7 million over the FY 1998 level. Included in this increase is a program enhancement for removal of criminal and non-criminal deportable aliens and increased program support in the areas of interior deterrence.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The total funding requested for Goal 4 includes \$192.1 million, a net increase of \$21.3 million over the FY 1998 level. Included in this net increase are program enhancements totaling \$25.7 million offset by non recurring expenses of \$4.4 million. Program enhancements include:
- \$163.2 million and 1,000 new border patrol agents (drug attribution: \$24.5 million and 150 agents). Also included is funding to continue deployment of the Integrated Surveillance Intelligence System and Remote Video Surveillance equipment and construction projects for the Border Patrol. Most of these new agents will be assigned to the Southwest Border region.
- \$8 million and 100 land border inspectors (drug attribution: \$1.2 million and 15 inspectors) to sustain facilitation and control of admissions at land ports-of-entry.

Goal 5: Break foreign and domestic drug sources of supply.

- The total funding requested for Goal 5 includes \$73.4 million, an \$8.8 million net increase over the FY 1998 level. Included in this increase is an enhancement for the Investigations program to identify and interview deportable aliens that are incarcerated in local and county jails.
- In addition, INS anticipates receiving \$10.7 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

- In the last three years, INS has launched Operation Hold the Line in El Paso, Texas; Operation Gatekeeper in San Diego, California; and Operation Safeguard in Arizona. These operations are strategies to regain control of areas of the border that have historically been the major corridors for illegal immigration. As part of these efforts, the overall size of the Border Patrol has been increased by over 40 percent, and agents have been provided with force-multiplying technological tools to track and apprehend illegal crossers, and thwart alien smuggling.
- In the first six months of FY 1997, the Border Patrol seized 388,847 pounds of marijuana and 7,077 pounds of cocaine. The estimated value of all drugs seized in the first six months of FY 1997 was more than \$495 million.
- Border Patrol traffic checkpoint operations along the Southwest land border are vital in stopping the transportation of illegal drugs into the country as evidenced by a 1997 seizure of cocaine in the Deming, New Mexico area. Two separate carloads of cocaine were intercepted by Border Patrol agents within thirty minutes of the other during an immigration inspection at the checkpoint. As a result, over 300 pounds of cocaine were seized, valued at nearly \$10 million.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$133.984	\$122.862	\$126.621
Goal 5	<u>225.446</u>	<u>172.105</u>	<u>177.393</u>
Total	\$359.430	\$294.967	\$304.014
Drug Resources by Function			
Investigations	\$268.190	\$201.159	\$207.346
Intelligence	13.618	13.971	14.394
Prosecution	77.232	79.447	81.884
Research & Development	<u>0.390</u>	<u>0.390</u>	<u>0.390</u>
Total	\$359.430	\$294.967	\$304.014
Drug Resources by Decision Unit			
Drug Enforcement Administration	\$93.960	\$96.583	\$99.612
Federal Bureau of Investigation	103.047	105.703	108.829
Immigration & Naturalization Service	10.030	10.350	10.719
U.S. Marshals Service	1.326	1.376	1.421
U.S. Customs Service	26.715	—	—
Bureau of Alcohol, Tobacco & Firearms	9.752	—	—
Internal Revenue Service	35.274	—	—
U.S. Coast Guard	0.625	—	—
U.S. Attorneys	75.287	77.452	79.832
Criminal Division	0.718	0.738	0.759
Tax Division	1.227	1.257	1.293
Executive Office	<u>1.469</u>	<u>1.508</u>	<u>1.549</u>
Total	\$359.430	\$294.967	\$304.014
Drug Resources Personnel Summary			
Total FTEs (direct only)	3,692	2,960	2,960
Information			
Total Agency Budget	\$359.4	\$295.0	\$304.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- The Interagency Crime and Drug Enforcement (ICDE) appropriation provides resources in support of Department of Justice agencies that participate in the Organized Crime Drug Enforcement Task Force (OCDETF) Program. Given this, the resources are considered to be 100 percent drug related.

III. PROGRAM SUMMARY

- The OCDETF Program directly responds to two goals of the National Drug Control Strategy—Goal 2 - Increase the safety of America's citizens by substantially reducing drug-related crime and violence; and Goal 5 - Break foreign and domestic drug sources of supply. The prosecution and research and development functions are fully devoted to Goal 2. The investigations and intelligence functions are split between Goal 2 (estimated at 20 percent) and Goal 5 (estimated at 80 percent).

- The OCDETF Program constitutes a nationwide structure of 9 regional Task Forces which utilize the combined resources and expertise of its member federal agencies, in cooperation with state and local investigators and prosecutors, to target major narcotic trafficking and money laundering organizations. The ICDE appropriation provides reimbursement to the Department of Justice agencies and components that participate in the program. Beginning in FY 1998, the U.S. Coast Guard, Internal Revenue Service, U.S. Customs Service, and the Bureau of Alcohol, Tobacco and Firearms, each of which previously received reimbursements from this appropriation, will be funded in other appropriation accounts.
- The mission of the OCDETF Program is to identify, investigate, and prosecute members of high-level drug trafficking and related enterprises, and to dismantle or disrupt the operations of those organizations. Dismantle means to eliminate the criminal organization or break it up to the extent that reconstruction of the same criminal organization is impossible. Disrupt means to cause significant interference in the conduct of business by the targeted criminal organization.
- The general goals of the OCDETF Program are:
 1. Supplement federal resources for the investigation and prosecution of major drug trafficking and related organizations; and
 2. Foster improved interagency coordination and cooperation in the investigation and prosecution of major drug trafficking and related cases.

IV. BUDGET SUMMARY

1998 Program

- The 1998 program for the Department of Justice agencies participating in the OCDETF program totals \$295 million, 3,015 positions and 2,960 FTEs. These resources are used to reimburse the various Justice agencies for drug-related law enforcement programs in support of the following goals under the National Drug Control Strategy.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- OCDETF program funding for Goal 2 activities totals \$122.9 million and support the following functions:
- **Investigations.** An estimated \$40.2 million of the total \$201.2 million in investigations funding in the OCDETF program supports domestic investigations focused on the organized criminal drug trafficking and the breakup of organized criminal enterprises in the U.S. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking.
- **Intelligence.** An estimated \$2.8 million of the nearly \$14 million in intelligence funding in the OCDETF program supports domestic intelligence efforts by the Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA) for Regional Drug Intelligence Squads (RDIS). The mission of the RDIS is to establish multi-agency squads to gather, analyze, and disseminate raw and processed data for strategic, tactical, and operational intelligence support of OCDETF investigations and/or potential OCDETF investigations. They also provide the regional intelligence linkage to the National Drug Intelligence Center and to respective agency headquarters. Squads have been established in the following cities: Los Angeles, New York City, Washington DC, Houston, Miami, Phoenix, Chicago, and Atlanta.

- **Prosecutions.** \$79.4 million in OCDETF funding is used to reimburse the U.S. Attorneys, Criminal Division, and Tax Division for their investigative support and prosecutorial efforts towards OCDETF cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.
- A fundamental purpose of the prosecution effort is to apply limited federal prosecutive resources against those targets where successful prosecution can have the greatest and most lasting effect on the nation's drug abuse problem. The centralized and organized nature of the drug trade mandates that the federal law enforcement and prosecution establishment incorporate successful experiences in combating organized crime. It also extends the successful OCDETF concept of actively targeting and pursuing the highest level drug offenders.
- **Research and Development.** Approximately \$0.4 million in OCDETF program funding provides reimbursement to the necessary research and development projects that support the various intelligence and investigative activities of Federal law enforcement agencies.

Goal 5: Break foreign and domestic drug sources of supply.

- OCDETF program funding for Goal 5 activities totals \$172.1 million and support the following functions:
- **Investigations.** An estimated \$160.9 million of the total \$201.2 million in investigations funding in the OCDETF program supports investigations focused on organized international criminal drug trafficking and the breakup of those international organized criminal enterprises engaged in the drug production and trafficking.
- **Intelligence.** An estimated \$11.2 million of the nearly \$14 million in intelligence funding in the OCDETF program supports international intelligence efforts by the FBI and the DEA. This intelligence data directly supports efforts to dismantle international drug production and trafficking organizations.

1999 Request

- The FY 1999 request for \$304 million will maintain the FY 1998 level of effort for the various OCDETF programs that support Goal 2 and Goal 5 of the National Drug Control Strategy.

V. PROGRAM ACCOMPLISHMENTS

- Since 1982, the OCDETF program has demonstrated its proficiency and diversity against major drug traffickers, drug-related violent offenders, gangs, money laundering organizations, and corrupt public officials. It has sponsored investigations involving all categories of drugs and numerous trafficking methods and techniques. OCDETF investigations demonstrate the success of the federal interagency approach in conjunction with the efforts of State and local law enforcement agencies. Some recent examples of the significance and diversity of OCDETF cases are described below.
 - On January 31, 1997, Juan Garcia-Abrego, a major narcotics trafficker based in Mexico, was sentenced to serve 11 concurrent life sentences for drug trafficking, 9 concurrent 20-year sentences on money laundering charges, and ordered to pay more than \$128 million in fines and \$350 million in forfeiture. Last October, Garcia-Abrego was convicted of importing tonnage quantities of marijuana and cocaine into the United States over a ten year period.

- “Operation Zorro II” was the first major “takedown” under the Southwest Border Initiative. This eight-month investigation involved unprecedented cooperation from 10 federal law enforcement agencies, more than 40 state and local agencies, and 14 U.S. Attorney’s Offices. This case was unique in law enforcement’s targeting both ends of the drug structure—the Cartel in Colombia where the drugs originated, and the Mexican-run transportation system that smuggled the cocaine into the United States and introduced it into the web of Colombian and Mexican distribution systems that would carry it across the country. Zorro II resulted in the dismantling of the Colombian and Mexican importation, transportation, and distribution networks operating in the United States, and also some of the client drug trafficking organizations who bought the powder cocaine and, in some instances, transformed it into crack cocaine which was sold on the streets of Richmond, Virginia, and areas of New York. To date, 102 defendants have been indicted and 49 have been convicted. The defendants included the leaders of the Colombian, Mexican, and client “crack” organizations, as well as their many criminal confederates and subordinates, including United States police officers and a National Guardsman who served as couriers, or who are alleged to have provided security and protection services for the Mexican distributors in the New York City area. A total of 5,590 kilograms of cocaine, 730 grams of crack cocaine, almost \$20 million in drug proceeds and assets, and 16 firearms were seized in the Zorro II operation.
- “Operation Crackshot.” This Midwest OCDETF operation resulted in the conviction and/or cooperation of over 70 individuals connected with gangs trafficking crack cocaine and victimizing the public housing projects of Peoria, Illinois. The combined investigative expertise and resources of the FBI, IRS, U.S. Marshals Service, Illinois State Police, Peoria County Sheriff, and City of Peoria Police, was focused on two large Chicago-based drug trafficking organizations, the “Gangster Disciples” and the “Vice Lords”. Crackshot was coordinated with similar OCDETF cases in Chicago and elsewhere. Violent crime in the Peoria housing projects was down approximately 70 percent this past winter.
- In “Operation Pacific Mariner”, seven people were indicted in the Central District of California on February 5, 1997, charging them with conspiracy and drug trafficking offenses in connection with seizures of 25 tons of hashish by law enforcement agencies from the U.S., Australia, and Canada. The 17½ tons of hashish seized by United States authorities represents the largest quantity ever confiscated, reflecting an estimated wholesale value of more than \$150 million.
- “Operation Cornerstone”. In South Florida, following a 2-year OCDETF/HIDTA investigation by the U.S. Attorney’s Office, U.S. Customs Service, and the DEA, 58 individuals were charged with RICO (18 U.S.C. §§1961-68), and federal narcotics and money laundering offenses. The indictment charged the leadership of the Cali Cartel, Miguel Rodriguez-Orejuela, his brother Gilberto Rodriguez-Orejuela, Helmer Herrera-Buitrago and Jose Santacruz-Londono, and their lieutenants, advisers, and underlings, with importing and distributing more than 20 tons of cocaine; obstructing justice; murder of a cooperating witness; and the laundering of narcotics trafficking proceeds. The indictment charges several attorneys with arranging for representation and subsistence payments for arrested cartel workers in exchange for their agreeing not to cooperate and to falsely exonerate the cartel leadership; relaying threats from the leadership to the arrested workers; falsifying documentary evidence for use in a civil forfeiture trial, among other criminal acts. Operation Cornerstone has severely impaired the operations of the cartel and has removed many of its critical players in the United States.

INTERPOL - U.S. NATIONAL CENTRAL BUREAU (USNCB)

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 5	<u>\$0.822</u>	<u>\$0.510</u>	<u>\$0.414</u>
Total	\$0.822	\$0.510	\$0.414
Drug Resources by Function			
International	<u>\$0.822</u>	<u>\$0.510</u>	<u>\$0.414</u>
Total	\$0.822	\$0.510	\$0.414
Drug Resources by Decision Unit			
Drug-Related Activity	<u>\$0.822</u>	<u>\$0.510</u>	<u>\$0.414</u>
Total	\$0.822	\$0.510	\$0.414
Drug Resources Personnel Summary			
Total FTEs (direct only)	10	6	5
Information			
Total Agency Budget	\$6.4	\$6.9	\$7.1
Drug Percentage	12.8%	7.4%	5.8%

II. METHODOLOGY

- The USNCB is a single decision unit. The estimated drug expenses represent that portion of the total staff expended by the Drug Division office based on workload.

III. PROGRAM SUMMARY

- As the United States' representative to the International Criminal Police Organization (INTERPOL), the USNCB coordinates the exchange of criminal information among the 177 INTERPOL member countries and U.S. law enforcement at the federal, state, and local levels.
- The USNCB organization consists of the Office of the Chief including administrative services and mix investigative divisions: alien fugitives, criminal, drugs, financial fraud, state liaison, and investigative support. The USNCB provides the Interpol International Notice Program to assist in the location, apprehension, and extradition of international fugitives and criminals.
- USNCB's drug control program provides for daily communications on drug investigative matters with federal, state, and local U.S. law enforcement agencies, INTERPOL General Secretariat and INTERPOL member countries. The INTERPOL channel is often the only means of communications to seek international assistance and cooperation on drug investigations. The Drug Investigative Division supports Goal 5, "Break foreign and domestic drug sources of supply" of the National Drug Control Strategy.

IV. BUDGET SUMMARY

1998 Program

- The USNCB's drug control program resources for FY 1998 totals \$0.5 million and 6 FTEs. Funding will support various international narcotics control activities which complement the efforts of the United States. In addition, funding will aid in instituting programs where the United States has limited or no access.

1999 Request

- The FY 1999 drug control request includes \$0.4 million and 5 FTEs, a decrease of \$0.1 million from the FY 1998 level.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, the USNCB completed 821 international drug cases.

U.S. MARSHALS SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$262.201	\$269.866	\$287.140
Goal 5	2.648	2.726	2.809
Total	\$264.849	\$272.592	\$289.949
Drug Resources by Function			
Investigations	\$36.285	\$37.019	\$38.478
Prosecution	225.916	232.847	248.662
International	2.648	2.726	2.809
Total	\$264.849	\$272.592	\$289.949
Drug Resources by Decision Unit			
Protection of the Judiciary	\$170.299	\$170.964	\$185.811
Justice Prisoner Alien Transportation System	25.207	26.682	22.290
Fugitive Apprehension	38.769	41.524	43.420
Seized Assets Management	16.309	17.268	17.694
D.C. Superior Court	12.249	13.568	14.061
Service of Legal Process	1.917	2.481	2.576
Training	0.057	0.061	0.063
Construction	—	—	3.982
Management and Administration	0.042	0.044	0.052
Total	\$264.849	\$272.592	\$289.949
Drug Resources Personnel Summary			
Total FTEs (direct only)	2,345	2,409	2,517
Information			
Total Agency Budget	\$479.4	\$493.4	\$529.1
Drug Percentage	55.2%	54.8%	54.8%

II. METHODOLOGY

- The drug percentages are based on the number of prisoners in custody, witnesses protected, fugitives-at-large, judicial proceedings, and asset seizures related to drug offenses. Drug percentages are revised annually based on workload statistics.

III. PROGRAM SUMMARY

- The United States Marshals Service (USMS) supports Goal 2, “Increase the safety of America’s citizens by substantially reducing drug-related crime and violence” and Goal 5, “Break foreign and domestic drug sources of supply” of the National Drug Control Strategy by enhancing programs that reduce domestic drug production and availability, and continue to target for investigation and prosecution those who illegally manufacture or distribute drugs. The USMS’s primary responsibilities for Goal 2 activities include:

- **Protection of the Judiciary:** The Deputy U.S. Marshals are responsible for the protection of the federal judicial system, including judges, witnesses, defendants and the court facilities during trial proceedings.
 - **Justice Prisoner and Alien Transportation System (JPATS):** USMS provides support for the movement of prisoners and detainees held on drug-charges when needed in court and after sentencing.
 - **Fugitive Apprehension:** Deputy U.S. Marshals execute court orders and arrest warrants for apprehension of fugitives that are involved in drug-related crime and violence.
 - **Seized Assets Management:** The USMS is responsible for the seizure, maintenance and disposal of assets from drug-related seizure cases, including the targeting of large criminal organizations such as illegal drug enterprises or seizures. Deputy U.S. Marshals execute court orders which include physical seizure and securing of assets. Additionally the USMS establishes contracts with private sector vendors to prevent waste, fraud and abuse of seized assets during the forfeiture process.
- The USMS's primary responsibilities for Goal 5 activities include the apprehension of fugitive felons that involves working with the International Police (INTERPOL). The USMS supplements INTERPOL international law enforcement support by maintaining close working relationships with foreign country law enforcement officials as well as with DEA and FBI officials in foreign locations.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 drug-related program includes \$269.9 million for Goal 2 and \$2.7 million which supports Goal 5 of the National Drug Control Strategy.
- In addition, USMS anticipates receiving \$1.4 million in reimbursable funding for its OCDETF activities.

1999 Request

- The FY 1999 drug control request totals \$289.9 million and 2,517 FTEs, an increase of \$17.4 million over the FY 1998 level. Following is a summary of the FY 1999 request by Strategy goal:

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total FY 1999 request for Goal 2 activities totals \$287.1 million, an increase of \$17.3 million over the FY 1998 level. This increase includes the following program enhancements:
 - \$7 million and 63 positions to provide personnel and equipment necessary to ensure that new and renovated federal courthouses can open on schedule with adequate security. This request is a direct result of the increased requirements of new courthouses and courthouse renovations and are not to address existing staffing shortages.

- \$1 million and 2 positions is requested to enhance the current staff and purchase advanced technological equipment for the Electronic Surveillance Unit (ESU). ESU's primary mission is to provide electronic surveillance support using specially trained investigators and equipment. ESU coordinates all electronic surveillance operations for the USMS. ESU specifically targets the technologies used by today's fugitives to avoid capture, to continue their criminal enterprises, and to communicate with their support networks.
- \$1.5 million and 34 positions is requested for the D.C. Superior Court. These resources include staffing increases for court room and prisoner security as well as administrative work. This increase will allow the district to meet USMS security standards of having two DUSMs per defendant, and provide an armed presence in each criminal judicial proceeding.

Goal 5: Break foreign and domestic drug sources of supply.

- The total FY 1999 request for Goal 5 activities totals \$2.8 million, an increase of \$0.1 million over the FY 1998 level. This increase covers projected program costs increases but does not provide for any new program enhancements in FY 1999.
- In addition, USMS anticipates receiving \$1.4 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

- The USMS is responsible for seizing property in drug cases and is in charge of disposing all federally seized properties. The following are some examples of USMS's drug-related accomplishments for FY 1997.
 - 8,111 Class I Felony Arrests,
 - 255,052 Prisoner Productions,
 - 64,824 Criminal Bench Hours,
 - 102,768 Prisoner Movements in the Justice Prisoner and Alien Transportation System, and
 - 30,274 Property Seizures.

OFFICE OF JUSTICE PROGRAMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$55.347	\$62.632	\$76.877
Goal 2	659.118	753.077	585.020
Goal 3	101.425	134.779	193.147
Goal 5	<u>14.263</u>	<u>33.522</u>	<u>31.112</u>
Total	\$830.153	\$984.010	\$886.156
Drug Resources by Function			
Corrections	\$88.508	\$58.199	58.297
Investigations	1.396	4.998	5.003
Prevention	55.347	62.632	76.877
Prosecution	1.396	4.998	5.003
Research and Development	11.471	23.526	21.106
State and Local Assistance	570.610	694.878	526.723
Treatment	<u>101.425</u>	<u>134.779</u>	<u>193.147</u>
Total	\$830.153	\$984.010	\$886.156
Drug Resources by Decision Unit			
Research, Evaluation and Demonstration Programs	\$5.880	\$17.650	\$17.650
Criminal Justice Statistical Programs	1.667	1.546	1.706
Regional Information Sharing System	13.046	18.000	18.000
Anti-Drug Abuse, Byrne Formula Grants	240.498	370.000	0.000
Anti-Drug Abuse, Byrne Discretionary Grants	28.225	41.850	0.000
At-Risk Children Initiative	—	—	23.097
Juvenile Justice Programs	7.894	5.960	8.190
Underage Drinking Prevention Program	—	25.000	0.000
Drug Prevention Program	—	5.000	0.000
Executive Office for Weed and Seed	13.823	16.306	0.000
Management and Administration, Direct	15.065	16.599	6.205
Crime Control Act:			
Anti-Drug Abuse, Byrne Formula Grants	156.665	33.437	396.337
Anti-Drug Abuse, Byrne Discretionary Grants	—	—	42.160
Law Enforcement and Prosecution Grant Program	26.912	33.830	39.888
Rural Domestic Violence Program	3.448	12.293	12.263
Encouraging Arrest Policies	0.000	29.012	14.716
Drug Courts Program	30.978	29.503	29.431
State Corrections Grants	81.267	51.357	52.251
Local Law Enforcement Block Grant Program	166.015	168.076	0.000
Residential Substance Abuse Treatment	30.610	61.957	70.634
Criminal Records Upgrade	2.205	2.213	2.207
Drug Intervention Program (Break-the-Cycle)	—	—	83.388
Violent Youth Court Program	—	—	24.526
Juvenile Justice Block Grant Program	—	36.878	—
Juvenile Drug Prevention Demonstration	—	—	4.905
Indian Tribal Court Initiative	—	—	3.270
Executive Office for Weed and Seed	—	—	19.473
Management and Administration, Crime Control Act	<u>5.955</u>	<u>7.543</u>	<u>15.859</u>
Total	\$830.153	\$984.010	\$886.156
Drug Resources Personnel Summary			
Total FTEs (direct only)	210	241	221
Information			
Total Agency Budget	\$2,692.3	\$3,339.2	\$2,845.8
Drug Percentage	30.8%	29.5%	31.1%

II. METHODOLOGY

- The Office of Justice Programs uses a combination of two methodologies to determine the available resources for its annual anti-drug program: (1) a percent of total costs for selected programs based on a review of drug-related workload data and (2) direct costs related to drug specific projects.

III. PROGRAM SUMMARY

- The Office of Justice Programs (OJP), established by the Justice Assistance Act of 1984, supports cooperation of law enforcement at all levels in building networks that allow the criminal justice system to function more effectively. OJP accomplishes this effort by dedicating resources to aid in the fight against drugs, which in turn, supports four goals of the National Drug Control Strategy.

IV. BUDGET SUMMARY

1998 Program

- OJP's FY 1998 program estimate totals \$984 million and 241 FTEs. Following is a breakdown of OJP's resources by Strategy goal.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- OJP's FY 1998 program includes \$62.6 million for programs that support Goal 1 activities. In FY 1998, OJP's funding includes resources for the following activities: providing information to promote effective prevention efforts to parents, schools and community groups; and providing assistance to state and local law enforcement.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 program includes \$753.1 million for programs that support Goal 2 activities. Program funding includes support to state and local law enforcement entities or activities whose primary purpose is to assist state and local law enforcement efforts to investigate, arrest, prosecute, incarcerate drug offenders, or otherwise reduce the supply of illegal drugs; and activities associated with the incarceration and/or monitoring of drug offenders.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The FY 1998 resources targeted for Goal 3 activities totals \$134.8 million. These resources will focus on encouraging/assisting regular users of controlled substances to become drug-free through such means as counseling services, in-patient and out-patient care, research into effective treatment modalities, etc.

Goal 5: Break foreign and domestic drug sources of supply.

- OJP's Goal 5 resources will total \$33.5 million in FY 1998. Program activities to be funded in FY 1998 include: investigative activities designed to immobilize illegal drug trafficking organizations by arresting their leaders and seizing their drugs and assets; prosecution activities designed to immobilize

drug trafficking and money laundering organizations by prosecuting their members, forfeiting their assets, divesting them of power, and, as appropriate, extraditing, deporting and excluding their members; and R&D activities intended to improve the capacity, efficiency, or quality of drug law enforcement activities.

1999 Request

- The total FY 1999 drug control budget request is \$886.2 million and 221 FTEs, which is a decrease of \$97.9 million below the FY 1998 level. The following narrative provides a breakdown of the FY 1999 request by Strategy goal.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The total FY 1999 drug control request for Goal 1 is \$76.9 million, a net increase of \$14.2 million over the FY 1998 level. The net increase consists of program increases of \$19.9 million offset by program decreases of \$5.7 million. Program changes are summarized below:
 - \$1.8 million increase for the Office of Juvenile Crime Control and Prevention's (OJCCP's) Safe Start Program,
 - \$5 million increase associated with a redistribution of OJCCP's drug-related base funding and administrative funds,
 - \$11.5 million increase to support the At-Risk Children's Initiative,
 - \$1.6 million increase for the Executive Office of Weed and Seed, and
 - \$5.7 million decrease associated with a 1998 Congressional earmark (\$5 million) for OJCCP's Juvenile Anti-Drug Demonstration program and redistribution of Byrne Formula and Discretionary Funds (\$0.7 million).

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total FY 1999 drug control request for Goal 2 is \$585 million, a net decrease of \$168.1 million from FY 1998 level. The net decrease consists of program increases of \$88 million offset by program decreases of \$256.1 million. Program changes are summarized below:
 - \$85 million increase for the Drug Intervention program, of which \$42.5 million is related to Goal 2 activities. The Drug Intervention program is a new program that will help break the cycle of illegal drug abuse by assisting state and local units of government, state and local courts, and Indian tribal governments to develop and implement comprehensive systems for drug testing, drug treatment and graduated sanctions for offenders. This program will provide the guidance and resources to help eligible jurisdictions institute policies that focus on "treating" individuals under the supervision of the criminal justice system. (It should also be noted that the drug treatment resources for this program appear under Goal 3.)

- \$3.3 million increase for the Indian Tribal Court Initiative. This new program will provide financial and technical assistance to tribal courts and court-related entities and activities for the further development and implementation of programs. Program initiatives include the development of juvenile drug courts and alternative as well as traditional approaches to justice.
- \$16.5 million enhancement including the following activities: Juvenile Drug Demonstration program, VAWA Law Enforcement and Prosecution Grant program, State Corrections Grant program and Executive Office for Weed and Seed.
- \$25.7 million increase associated with resource redistributions, including \$23.5 million to realign Drug Courts resources from Goal 3 to Goal 2. This alignment for Drug Courts more accurately depicts how funds are used.
- \$168.1 million decrease for the Local Law Enforcement Block Grant program.
- \$61.9 million decrease associated with 1998 congressional earmarks (\$36.9 million for the Juvenile Justice Incentive Block Grant program and \$25 million for the Alcohol to Minors Prevention Initiative).
- \$26.1 million decrease for the following activities: Byrne Formula and Discretionary programs, VAWA Grants to Encourage Arrest Police program, and administration funds.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 is \$193.1 million, a net increase of \$58.4 million from the FY 1998 level. The net increase consists of program increases of \$83.3 million offset by program decreases of \$24.9 million. Program changes are summarized below:
 - \$85 million increase for the Drug Intervention program, of which \$42.5 million is related to Goal 3 activities including drug treatment,
 - \$19.6 million increase for the Violent Youth Court program,
 - \$8.7 million increase for the Residential Substance Abuse Treatment program,
 - \$11.6 million increase for the At-Risk Children's Initiative,
 - \$0.9 million increase in administrative funds, and
 - \$24.9 million decrease associated with program redistributions, including realigning the Drug Courts program from Goal 3 to Goal 2 and the Byrne Formula and Discretionary Grant program.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 is \$31.1 million, a net decrease of \$2.4 million from the FY 1998 level. This decrease consists of the following program changes:
 - \$1 million increase in administrative funds, and
 - \$3.4 million decrease in research and development activities.

V. PROGRAM ACCOMPLISHMENTS

- In 1997, the Drug Courts Program Office (DCPO) awarded over \$30 million to 180 jurisdictions for planning, implementation, or enhancement of drug courts. DCPO funding allowed 51 new drug courts to be implemented in 1997. Since 1995, DCPO has awarded over \$45 million to more than 200 jurisdictions involved with planning, implementation or enhancement of a drug court.
- In 1997, the National Institute of Justice announced a major revision and expansion of the Drug Use Forecasting (DUF) Program and renamed it the Arrestee Drug Abuse Monitoring (ADAM). New program features to be introduced the next three years include: improved data collection methods to allow for better generalizability of results within sites; outreach to communicate outside of the major urban centers; and support for local control over program direction and dissemination of findings.

TAX DIVISION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	<u>\$0.328</u>	<u>\$0.339</u>	<u>\$0.351</u>
Total	\$0.328	\$0.339	\$0.351
Drug Resources by Function			
Prosecution	<u>\$0.328</u>	<u>\$0.339</u>	<u>\$0.351</u>
Total	\$0.328	\$0.339	\$0.351
Drug Resources by Decision Unit			
Criminal Prosecution	<u>\$0.328</u>	<u>\$0.339</u>	<u>\$0.351</u>
Total	\$0.328	\$0.339	\$0.351
Drug Resources Personnel Summary			
Total FTEs (direct only)	3	3	3
Information			
Total Agency Budget	\$59.3	\$61.8	\$64.5
Drug Percentage	0.6%	0.5%	0.5%

II. METHODOLOGY

- The methodology for calculating the Tax Division's drug budget resources is based on actual workyears dedicated to drug-related cases. It also includes a prorated share of the mandatory increases/adjustments to its base budget attributable to the Tax Division's Criminal Prosecution program.

III. PROGRAM SUMMARY

- The Tax Division supports Goal 2, "Increase the safety of America's citizens by substantially reducing drug-related crime and violence" of the National Drug Control Strategy. Attorneys in the Tax Division's four Criminal Enforcement Sections investigate and prosecute individuals, corporations, nonprofit organizations, and other taxpayers that attempt to commit tax evasion, willfully fail to file tax returns, file false tax returns, and otherwise intentionally attempt to evade their obligations under the federal tax laws. They also investigate and prosecute tax violations occurring in the context of criminal conduct such as financial institution fraud, narcotics trafficking, bankruptcy fraud, and domestic and international tax conspiracies.
- The Tax Division relies on the Internal Revenue Code to prosecute narcotics traffickers. In some instances, tax violations related to narcotics enterprises are easier to prove than the underlying drug offenses. In other cases, tax charges complement the evidence of the narcotics crimes. Tax Division Criminal Enforcement attorneys serve as the liaisons to the Internal Revenue Service, the United States Attorneys' offices, the OCDETF program, and other agency participants in the National Drug Control Strategy. In this role, Tax attorneys monitor drug/tax related dockets to ensure that timely assistance is provided in the investigation and prosecution of narcotics traffickers.

IV. BUDGET SUMMARY

1998 Program

- The Tax Division's FY 1998 drug control budget includes funding of \$0.3 million for its Criminal Tax Enforcement program. This funding supports three positions and three FTEs.
- The Tax Division anticipates receiving \$1.3 million in reimbursable funding for its OCDETF activities.

1999 Request

- The Tax Division's FY 1999 drug control request for its Criminal Tax Enforcement program is \$0.4 million, which will support three positions and three FTEs. The requested funding represents base adjustments only.
- In addition, the Tax Division anticipates receiving \$1.3 million in reimbursable funding for its OCDETF activities.

V. PROGRAM ACCOMPLISHMENTS

United States vs. Maria Elena Hernandez (S.D. FL)

- On August 19, 1997 Maria Hernandez pleaded guilty to conspiring to launder approximately \$100,000. Hernandez was an office manager for a Fort Lauderdale, Florida demolition business and had been recruited to launder narcotics proceeds by Luis Fernandez, a partner in the Hector Gonzalez drug organization. Between 1991 and 1994, Hernandez received approximately \$1.1 million in currency from the organization, which she then proceeded to disburse by issuing business checks to Gonzalez, Fernandez, and other organization members.

United States vs. Fanny Ruiz de Pinzon (S.D. FL)

- On July 10, 1997 Pinzon pleaded guilty to conspiring to launder approximately \$595,000. Pinzon was the wife of Magill Pinzon, a partner in the Gonzalez narcotics smuggling organization between 1985 and 1994. She transported several million dollars in cocaine profits from Miami to Colombia and then repatriated the money by falsely declaring to U.S. Customs that the money was earned from Colombian publishing and printing concerns. Some of the money was later used to purchase a residence and furnishings worth more than \$600,000. As part of her plea agreement, Fanny Pinzon agreed to forfeit her residence.

United States vs. Castor Quintares Gonzalez (S.D. FL)

- On May 29, 1997, in an OCDETF prosecution, Castor Quintares Gonzalez pleaded guilty to an 18 U.S.C. 371 Klien-conspiracy, an 18 U.S.C. 1956(h) money laundering conspiracy, an 18 U.S.C. 848 continuing criminal enterprise charge. As part of his plea, Gonzalez agreed that he would be sentenced to mandatory life imprisonment. The prosecution arose out of Gonzalez's marijuana and smuggling operation in South Florida between 1979 and 1993. With Gonzalez's plea, all of the co-conspirators and confederates in this narcotics ring have pleaded guilty.

DEPARTMENT OF LABOR

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$27.387	\$27.770	\$28.134
Goal 3	<u>37.244</u>	<u>38.849</u>	<u>40.643</u>
Total	\$64.631	\$66.619	\$68.777
Drug Resources by Function			
Prevention	<u>\$64.631</u>	<u>\$66.619</u>	<u>68.777</u>
Total	\$64.631	\$66.619	\$68.777
Drug Resources by Decision Unit			
Employment and Training Administration	\$64.117	\$66.100	\$68.244
Departmental Management	<u>0.514</u>	<u>0.519</u>	<u>0.533</u>
Total	\$64.631	\$66.619	\$68.777
Drug Resources Personnel Summary			
Total FTEs (direct only)	1	1	1
Information			
Total Agency Budget	\$10,254.0	\$11,000.3	\$11,605.4
Drug Percentage	0.6%	0.6%	0.6%

II. METHODOLOGY

- Adult and Youth Training Grants drug resource levels are derived by estimating the drug incidence among likely Job Training Partnership Act (JTPA) participants using data from the 1991 National Household Survey, and applying average program cost per participant to estimate the total substance abuse prevention costs for the JTPA Title II-A Adult Training Grant and Title II-C Youth Training Grant programs. Participation in these job training programs is recognized as not only a means to gaining employment but also as a means to deter drug and alcohol abuse.
- The Job Corps Program administers the Alcohol and Other Drugs of Abuse (AODA) component which consists of a comprehensive drug prevention and intervention program for all Job Corps participants. Estimated Job Corps cost formulations are based on estimated expenses for enrollee drug testing, counseling, education, and referral to treatment, if necessary, to serve the budgeted number of students.
- Funding in the Departmental Management account is necessary to support the continued operation of the DOL Drug-Free Workplace Program, and was determined based on the Department's previous experience with these programs. The Drug-Free Workplace program also supports outreach and information dissemination initiatives, including the Working Partners Small Businesses Initiative, which promotes the establishment of substance abuse prevention programs in the private and non-Federal public sectors.

III. PROGRAM SUMMARY

- The Employment and Training Administration (ETA) administers the Job Training Partnership Act programs of Adult and Youth Training Grants. These programs require individual assessments and specifically encourage outreach activities aimed at individuals who face severe barriers to employment, such as drug and alcohol abuse. Program activities include coordination of JTPA programs with other community service organizations, such as drug and alcohol abuse prevention and treatment programs. JTPA also authorizes the Jobs Corps, the Alcohol and Other Drugs of Abuse (AODA) component to screen trainees for drug and alcohol problems and provide prevention and intervention services.
- Job Corps has had an active program of alcohol and drug testing and counseling since January 1992. The Job Corps AODA component became operational in all centers and is considered an important step forward in identifying alcohol and substance abusers and assisting them in combating their abuse problem. Job Corps has implemented a “Zero Tolerance for Violence and Drugs” policy. Applicants are required to sign a drug free certification and a contract committing to abide by this policy. Refusal to sign this contract will preclude entry into the program.
- Job Corps has redirected its efforts in providing services to students with substance abuse problems. Emphasis is placed on short-term intervention and counseling, shifting from a medical to a behavioral approach.
- Presently, services provided in Job Corps for most medical conditions related to substance abuse are sufficient to cope with the problems of the vast majority of the students while they are in training. These services consist of both short-term individual and group counseling for those students who test positive for alcohol and other illicit drugs, and where appropriate, medication to counteract substance-related symptoms. However, when more intensive and long-term treatment is required, the student is terminated and returned home with a referral to an appropriate health facility for treatment. Job Corps is not designed to administer such long-term treatment.
- Job Corps has, in general, been successful in recruiting qualified substance abuse counselors and other health personnel. Currently, all centers are required to employ, at a minimum, one full-time substance abuse counselor (AODA Specialist). Instructions have been issued to all centers requiring that state or national certification be obtained or sought by all center AODA specialists.
- The ETA also has responsibility for administering the new \$3 billion Welfare-to-Work (WTW) grants initiative. WTW targets welfare recipients who face multiple barriers to employment--such as school dropouts, substance abusers, and those with a poor work history--and who are long-term welfare recipients (30 months or more) or who face termination from Temporary Assistance for Needy Families (TANF) within 12 months. Some of these funds will be used for substance abuse education, counseling and treatment.
- ETA is also funding projects which include: the Federal Bonding Program (FBP), which enables former substance abusers and others with a criminal background to qualify for fidelity bonding at no cost to the employer or employee.
- DOL funds its Drug-Free Workplace Program which includes employee education, supervisory training, employee drug testing, and an employee assistance program for Department employees and their family members. DOL's Office of the Assistant Secretary for Policy (ASP) also operates an outreach and information dissemination program to assist employers and labor unions to establish effective workplace substance abuse prevention and intervention programs. This effort, now known as *Working Partners for*

an Alcohol- and Drug-free American Workplace has consolidated two distinct existing program components, the Small Business Initiative (SBI) and the Substance Abuse Information Database (SAID), into one integrated program. SBI (formerly the only component designated as *Working Partners*) enlists national trade and professional associations to distribute industry-specific information developed by DOL to their members and to encourage and support businesses to implement programs. SAID is an on-line, searchable collection of documents including sample policies, training and educational materials, and information on applicable federal and state laws and regulations that are useful in developing workplace prevention programs. Together these initiatives now constitute the Working Partners program intended to raise awareness about the negative impact of substance abuse on workplace safety, health and productivity and to provide the tools with which to address it.

- Working Partners contributes not only to the reduction of health and social costs by deterring workplace drug use and providing opportunities for intervention and referral to treatment, but additionally contributes to preventing youth drug use by arming parents and other influential adults with the knowledge they need to communicate effectively with children about drugs. Furthermore, the increased prevalence of drug-free workplace programs sends a clear message to youth as they enter the workforce that drug use is not acceptable. Workplaces that have substance abuse programs in place are also receptive candidates for inclusion in community-based coalitions formed to help prevent drug use and abuse.

IV. BUDGET SUMMARY

1998 Program

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The total drug control request for Goal 1 activities for FY 1998 is \$27.8 million.
 - While the Employment and Training Administration (ETA) and its program operators do not operate drug prevention or treatment programs, the Job Training Partnership Act (JTPA) allows and encourages certain activities concerned with substance abuse prevention but in most areas does not mandate such activities. Decisions on which participants are provided what types of services under JTPA are reserved to States and localities.
 - Job Corps has had an active program of alcohol and drug testing and counseling since January 1992. The Job Corps Alcohol and Other Drugs of Abuse (AODA) component became operational in all centers and is considered an important step forward in identifying alcohol and substance abusers and assisting them in combating their abuse problem. On May 1, 1995, Job Corps implemented a Zero Tolerance for Violence and Drugs policy. Applicants are required to sign a drug free certification and a contract committing to abide by this policy. Refusal to sign this contract will preclude entry into the program.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 activities for FY 1998 is \$38.8 million.
 - While it is important to note that JTPA is a job training program and not a substance abuse treatment program, the transitioning of the disadvantaged and unemployed into self-sustaining

employment sometimes requires dealing with a participant's substance abuse problem. JPTA and other ETA program operations are required to provide increased substance abuse prevention education/counseling and referral services for individuals at risk of abusing drugs or alcohol.

- Funding in the Departmental Management account supports the continued operation of the DOL's Drug-Free Workplace Program and as well as its Working Partners outreach and information dissemination efforts. Ongoing Working Partners activities include maintaining and refining the functionality of the SAID system and expanding the number and types of documents available in SAID. These enhancements are intended to make SAID more responsive to the needs of its users and ultimately to increase the number of employers and employees that benefit from the wealth of information residing in SAID to implement effective workplace programs.

1999 Request

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The total drug control request for Goal 1 activities for FY 1999 is \$28.1 million, a net increase of \$0.4 million over FY 1998, supporting programs at approximately the FY 1998 level.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 activities for FY 1999 is \$40.6 million, a net increase of \$1.8 million over FY 1998, supporting programs at approximately the FY 1998 level.

V. PROGRAM ACCOMPLISHMENTS

- The amended Job Training Partnership Act (P.L. 102-367) allows costs for participant counseling on avoiding substance abuse.
- Job Corps has strengthened new student enrollment procedures by implementing a "Zero Tolerance for violence and Drugs" policy, requiring applicants to sign a drug free certification and a contract committing to abide by this policy. Students who are detected as not being drug-free by the end of a 30-day probationary period will be terminated from the program and cannot re-enroll for a period of six-months. Re-application to this program must be accompanied by evidence of a negative drug test.
- The Job Corps AODA component tests for, educates, and counsels participants on substance abuse. The Department believes that substance abuse contributes to higher absenteeism and turnover which results in lower productivity at a time when improved U.S. competitiveness is critical to the nation's growth.
- The Federal Bonding Program (FBP) is operated by ETA through the State Employment Security/Job Service in each state. This program enables former substance abusers and others with a criminal background, who otherwise would be unable to obtain employment, acquire bonding, to qualify for fidelity bonding at no cost to the employer or employee.
- The Welfare-to-Work initiative targets services to the adult welfare population who are most at risk of long-term welfare dependency. A major feature of the new initiative is that at least 70 percent of grant funds are to be spent on recipients who face multiple barriers to employment, such as substance abuse.

- Completed conversion of the Working Partners' Substance Abuse Information Database (SAID) from a disk format to a fully searchable Web site that is free and accessible to anyone on the Internet. SAID now features summaries and full text of several hundred workplace substance-abuse related studies, surveys, reports, case studies and state/territory laws and regulations. Substantial enhancements to SAID such as a detailed "Search the Database" screen; image maps that display state/territory laws, regulations and resources; and "help" buttons have increased the functionality of the system.
- Working Partners/Small Business Initiative (SBI) has been extremely successful in raising awareness throughout the association community, reaching more than 300 association executives and enlisting more than 100 associations to actively share information with their members who are predominantly small business owners. Through this partnership, DOL has provided information on how to establish workplace substance abuse prevention programs to more than 500,000 employers. Numerous articles, based on information provided by DOL on workplace substance abuse have appeared in trade publications, magazines, newsletters and newspapers--notably those geared to small business executives. More than 200 Working Partners/Small Business kits are requested per month.
- DOL successfully collaborated with the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Small Business Administration (SBA) to analyze the results of the questions regarding worker drug use and workplace policies and programs which, as a result of this ongoing collaboration, were included in the 1994 National Household Survey on Drug Abuse. The recently published report confirms concerns that drug users are more likely to work in smaller establishments, which also report fewer workplace substance abuse policies or programs, than in larger work establishments and underscores the need to encourage and assist small employers in this area.
- The Department of Labor's workplace substance abuse home page is being renamed the (*Working Partners for an Alcohol- and Drug-Free American Workplace*) Web site. This site, which has been expanded, refined and enhanced, contains information on all of DOL's workplace substance abuse prevention programs.

OFFICE OF NATIONAL DRUG CONTROL POLICY: OPERATIONS

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$2.183	\$2.304	\$2.324
Goal 2	15.815	30.282	18.441
Goal 3	5.782	6.305	6.725
Goal 4	11.039	8.850	7.468
Goal 5	1.019	1.475	1.484
Total	\$35.838	\$49.216	\$36.442
Drug Resources by Function			
State and Local Assistance	\$1.870	\$15.015	\$2.038
Prevention	1.582	1.705	1.725
Treatment	1.582	1.705	1.725
Interdiction	1.439	1.550	1.568
International	0.720	0.773	0.784
Investigations	10.645	11.468	11.602
Research and Development	18.000	17.000	17.000
Total	\$35.838	\$49.216	\$36.442
Drug Resources by Decision Unit			
Salaries and Expenses:			
Operations	\$16.838	\$18.016	\$19.442
Research: CTAC and Policy	18.000	30.000	17.000
Model State Drug Laws	1.000	1.200	0.000
Total	\$35.838	\$49.216	\$36.442
Drug Resources Personnel Summary			
Total FTEs (direct only)	78	124	124
Information			
Total Agency Budget	\$35.8	\$49.2	\$36.4
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- The ONDCP provides the President's primary Executive Branch support for drug policy development and program oversight. ONDCP advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the Federal Agencies and Departments.

- ONDCP responsibilities include:
 - Developing an annual National Drug Control Strategy.
 - Developing a consolidated National Drug Control Budget for presentation to the President and the Congress (including budget certifications and quarterly reprogramming reports).
 - Certifying the budgets of programs, bureaus, Agencies, and Departments.
 - Issuing Funds Control Notices—ONDCP may direct that all or part of an amount appropriated to a national drug control agency be obligated by months, fiscal year quarters, or other time periods, as well as activities, functions, projects, or object classes. This authority is discretionary.
 - Evaluating Program Effectiveness—ONDCP is required to include in each National Drug Control Strategy an evaluation of the effectiveness of Federal drug control during the preceding year. This assessment must include the following elements:
 - (1) changes in drug use, including estimates of drug prevalence and frequency of use in Federal, state, and local surveys, as well as special studies of high-risk populations and drug use in the workplace;
 - (2) changes in drug availability as measured by the quantities of illicit drugs available and the amounts entering the United States, in addition to the interdiction efforts and their effectiveness;
 - (3) changes in drug use consequences, which must encompass ONDCP's estimation of the burdens drug users place on national and other social services, including the resulting drug-related crimes and criminal activity, in addition to the contribution of drugs to the underground economy; and
 - (4) drug treatment capacity by assessing total public and private treatment slots' efficiency and effectiveness within each state.
 - Coordinating and overseeing Federal anti-drug policies and programs involving approximately 50 Federal agencies and the programs they administer.
 - Encouraging private-sector, state, and local drug prevention and control programs.
 - Conducting policy analysis and research to determine the effectiveness of drug programs and policies in addressing the Strategy's goals, priorities, and objectives.
 - Designating High Intensity Drug Trafficking Areas (HIDTAs) and providing overall policy guidance and oversight for the award of resources to Federal, state, and local law enforcement partnerships in these areas.
 - Developing and overseeing a National Youth Anti-Drug Media Campaign that will be a multi-faceted communications campaign that harnesses the energies of parents, mass media, corporate America, and community anti-drug coalitions. This campaign will emphasize that prevention can work and will seek to empower parents to discuss this critical subject with their children.
 - Operating CTAC to serve as the central counterdrug enforcement research and development center for the Federal Government.

- Overseeing the Drug-Free Communities Program which will serve as a catalyst for increased citizen participation in our efforts to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions.
- Funds for the HIDTA program and the Special Forfeiture Fund (SFF) are reflected as Other Independent Agencies, Federal Drug Control Programs. A review of these programs is discussed elsewhere in this document.

ONDCP Staffing Levels					
	<u>FY 1995 Actual</u>	<u>FY 1996 Actual</u>	<u>FY 1997 Actual</u>	<u>FY 1998 Enacted</u>	<u>FY 1999 Request</u>
FTEs	38	38	78	124	124
Military Detailees	—	21	27	30	30

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 program includes \$49.216 million which supports all five goals of the National Drug Control Strategy.
- The Office of Supply Reduction is responsible for advising the Director on policies and programs to reduce the supply of drugs and ensuring the implementation of the supply reduction programs in support of the goals and objectives of the National Drug Control Strategy. The Office of Supply Reduction supports the interdiction and international functions.
- The Office of Demand Reduction is responsible for advising the Director of ONDCP on policies and programs to reduce the demand for drugs and ensuring the implementation of the demand-related portions of the National Drug Control Strategy. The Office of Demand Reduction supports the prevention and treatment functions.
- The Bureau of State and Local Affairs (BSLA) coordinates ONDCP relationship and outreach efforts with state and local government agencies as well as public interest groups. In addition, BSLA promotes coordination among federal programs in cooperation with state and local counter-drug programs, including overseeing the HIDTA Program. Specifically, the Bureau of State and Local Affairs supports the state and local assistance function.
- The Office of Programs, Budget, Research, and Evaluation is responsible for coordinating the Performance Measurement System and conducting research and analysis on drug-related program and policy issues. OPBRE is also responsible for developing and monitoring implementation of government-wide consolidated Drug Control Budget and presenting the Drug Control Budget to the President, the Congress, and the public.
- Counter-Drug Technology Assessment (CTAC) provides new technology to improve Federal agency counter-drug enforcement operations, as well as drug abuse treatment and rehabilitation research missions. CTAC supports the research and development function.

- Other offices within ONDCP which support the counter-drug efforts include: the Office of Administration; the Office of Financial Management (FMO); the Office of Public Affairs (OPA); the Office of Legal Affairs (OLA); the Office of Strategic Planning; the Office of Legislative Affairs; and the Office of Intelligence. The Office of Administration provides administrative support for ONDCP. The Office of Financial Management is responsible for the oversight of all ONDCP financial related areas. The Office of Public Affairs serves as a liaison between ONDCP and the media. The Office of Legal Affairs is responsible for advising the Director and ONDCP staff regarding the scope and effect of the legal authority of the Director and the agency. The Office of Strategic Planning coordinates the Strategy, develops or reviews all significant public policy statements, prepares the Director's briefings and supports his public speaking engagements. The Office of Legislative Affairs is ONDCP's liaison with the Congress, the White House Office of Legislative Affairs, and the legislative offices of more than fifty Federal agencies involved in implementing the National Drug Control Strategy.

1999 Request

- The total FY 1999 ONDCP budget request is \$36.442 million, a decrease of \$12.774 million from the FY 1998 enacted level. This decrease is a result of the \$13 million for CTAC's technology transfer program in FY 1998 which is not being requested in FY 1999.
- **Operations.** The request includes sufficient resources to enable ONDCP to maintain its operations at approximately the FY 1998 program level.
- **ONDCP Policy Research.** ONDCP's policy research will continue to emphasize issues related to knowledge development, drug use trends, emerging drugs, drug availability, and program evaluation. Greater attention will be given to developing measures of effectiveness to link strategy programs with overall strategy goals.
- **CTAC Research and Development.** The request for CTAC will emphasize science and technology development, and research into drug abuse addiction and rehabilitation.

V. PROGRAM ACCOMPLISHMENTS

- ONDCP has developed and implemented a comprehensive long-term national drug control strategy.
- ONDCP is working with other Federal agencies to develop supporting five-year budget plans for this ten year strategy.
- Ongoing ONDCP initiatives that support the objective of reversing negative youth drug use trends include:
 - **National Youth Anti-Drug Media Campaign.** ONDCP will continue the initiative begun in FY 1998 that uses paid media messages to change youth attitudes about drug use and its consequences. Targeted, high impact, paid media ads—at both the national and local levels—are the most cost effective, quickest means of changing drug use behavior through changes in adolescent perceptions of the danger and social disapproval of drugs.

- **Drug-Free Communities Act.** ONDCP will award grants to community coalitions of representatives of youth, parents, businesses, the media, schools, youth organizations, law enforcement, religious or fraternal organizations, civic groups, health care professionals, State, local, or tribal government agencies, and other organizations. In carrying out the Program, the Director of ONDCP will: (1) make and track grants to grant recipients; (2) provide for technical assistance and training, data collection and dissemination of information on state-of-the-art practices that the Director determines to be effective in reducing substance abuse; and, (3) provide for the general administration of the Program.
- Ongoing ONDCP initiatives that support the initiative of shielding our air, land, and sea borders include:
 - ONDCP began a comprehensive review of the Federal effort to counter drug smuggling at the Southwest Border.
 - The High Level Contact Group established between the U.S. and Mexico has provided a useful framework for addressing drug-related issues.
- The Counter-Drug Technology Assessment Center (CTAC) provides new technology to improve Federal agency counter-drug enforcement operations, as well as drug abuse treatment and rehabilitation research missions. Current projects include:
 - CTAC has developed and provided to the Customs Service for evaluation prototype systems for detecting contraband in liquid transport containers and empty trucks with gamma rays, and detecting trace vapors using gas chromatography.
 - CTAC has also developed and is testing a new generation of navigation, surveillance, and command system for use by law enforcement officers to detect and track illegal drug trafficking.
 - CTAC has developed a research program designed to increase our knowledge of addiction causes. In the past year, two modern, state-of-the art brain imaging centers have been completed: the Brookhaven National Laboratories and the Addiction Research Center in Baltimore, Maryland. Research scientists are now identifying those preaddiction physiological, as well as, psychological characteristics that will identify “at risk” subjects who are most susceptible to substance abuse.
 - Under CTAC funding, several research efforts are investigating candidate compounds which could lead to the production of therapeutic medicine to treat cocaine addiction.
 - CTAC has also developed projects to support reducing drug related crime and violence. CTAC-sponsored technology testbeds were used to test, evaluate and improve the ability to track and locate both field units and drug trafficking suspects, conduct telephone surveillance, create more effective interoperable communications, and to detect suspicious financial transactions by identifying the underlying temporal patterns and trends associated with money laundering drug crimes.
 - A CTAC sponsored prototype system using gamma-rays to detect drugs hidden in tanker trucks was successfully tested and employed operationally by U.S. Customs Service along the Southwest Border.

- Development projects to support breaking foreign and domestic drug sources sponsored by CTAC and led by DEA, provided reliable estimates of cocaine production in the Andean region.
- Counterdrug R&D projects and the transfer of successful technology are supported by a support program of test and evaluation. The program includes a variety of technical assessments, support to science and technology initiatives, and an outreach program to promote the exchange of relevant information throughout the scientific and technical community. CTAC also uses the test and evaluation program to support a pilot program to transfer successful results to Federal, state and local law enforcement organizations.

HIGH INTENSITY DRUG TRAFFICKING AREAS

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$0.621	\$3.190	\$3.190
Goal 2	57.471	63.955	63.955
Goal 3	7.568	7.568	7.568
Goal 4	6.602	6.602	6.602
Goal 5	67.945	80.692	80.692
Total	\$140.207	\$162.007	\$162.007
Drug Resources by Function			
Investigations	\$31.802	\$41.070	\$41.070
Intelligence	9.578	10.993	10.993
Prosecution	1.590	1.837	1.837
Interdiction	6.602	7.637	7.637
State and Local Assistance	82.623	92.623	92.623
Prevention	2.079	2.314	2.314
Treatment	5.533	5.533	5.533
Research	0.400	0.000	0.000
Total	\$140.207	\$162.007	\$162.007
Drug Resources by Decision Unit			
HIDTA	\$140.207	\$162.007	\$162.007
Total	\$140.207	\$162.007	\$162.007
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$140.2	\$162.0	\$162.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- ONDCP is the President's primary policy office for drug issues, providing advice and government-wide oversight of drug programs and coordination of the President's National Drug Control Strategy. ONDCP is charged with oversight of the HIDTA Program, whose mission is to reduce drug trafficking activities in the most critical drug trafficking areas—particularly as they impact other areas of the country. The program strengthens America's drug control efforts by intensifying the impact of drug control agencies by developing partnerships of local, State, and Federal drug control agencies in designated regions and creating systems for them to synchronize their efforts.
- Section 1005 of the Anti-Drug Abuse Act of 1988 (Public Law 100-690) authorizes the Director of ONDCP to designate areas in the United States as HIDTAs for the purpose of providing increased Federal assistance to alleviate drug-related problems, particularly those with harmful impact in other areas of the Nation.

- Specific counties in 17 areas have been designated as HIDTAs: Southwest Border (which contains the 5 partnerships of the California Border, Arizona, New Mexico, West Texas, and South Texas), Los Angeles, Houston, Miami, and New York (designated in 1990); Washington D.C./Baltimore and Puerto Rico/U.S. Virgin Islands (designated in 1994); Atlanta, Chicago, Philadelphia/Camden (designated in 1995); Rocky Mountain, Northwest, Lake County (Indiana), Midwest, and Gulf Coast (designated in 1996); and Southeast Michigan and San Francisco Bay (designated in 1997).
- In addition, counties in three areas are awaiting official designation by the Director of ONDCP in FY 1998: Central Florida; Kentucky/West Virginia/Tennessee; and Milwaukee, which will total 20 HIDTAs.
- Typically, a HIDTA consists of:
 - An Executive Committee composed of 16 members with an approximately equal number of local/State and Federal officials.
 - A major task force consisting of 100 to 300 collocated law enforcement members led by Federal agencies.
 - Regional local/state-led collocated drug and money laundering task forces.
 - A regional joint intelligence center and information-sharing network.
 - Other supporting initiatives to sustain law enforcement gains (e.g., treatment system coordination).

IV. BUDGET SUMMARY

1998 Program

- The 1998 program includes \$162.0 million for drug-related activities. Included in this funding is \$10 million to establish three new HIDTAs: Central Florida; Kentucky/Tennessee/West Virginia; and Milwaukee, as well as \$8.8 million to enhance the response to the methamphetamine threat.
- The HIDTA Program supports all five goals of the National Drug Control Strategy.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- Several HIDTAs integrate other drug education and early intervention programs with law enforcement efforts to reduce youthful involvement with illegal substances and strengthen families and communities.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- All HIDTAs have joint drug task forces that target drug trafficking organizations for dismantling and disruption, which increases the safety of America's citizens. Since the program began, the task forces have dismantled major drug trafficking organizations, seized tons of illicit drugs and millions of dollars in currency, and dismantled the hierarchies of major international drug trafficking organizations. In addition, HIDTA task forces have dismantled gangs with major drug trafficking organization connections. HIDTA drug task forces conduct intensive surveillance of drug organizations; infiltrate street gangs; assist prose-

cutors in developing cases; and use specialized techniques to conduct sophisticated intelligence gathering, wire taps, and investigations.

- The HIDTA Program concentrates federal, state, and local law enforcement efforts in critically affected areas of the nation. All HIDTAs have joint federal, state and local task forces that dismantle or disrupt major drug trafficking organizations. Through improved investigations, adaption of state-of-the-art technologies and integrated agency activities, HIDTA task forces bring all Americans closer to safer, healthier, and more viable communities.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The South Florida HIDTA developed an automated program for client intake, treatment, billing and matching, referral and placement. It also permits reporting on outcomes to state and federal funding sources. This has been adapted to other regions such as Puerto Rico. In addition, the Washington/Baltimore HIDTA has developed an automated information system that incorporates confidentiality requirements of multiple treatment and criminal justice agencies.
- The Washington/Baltimore area HIDTA initiated a region-wide system for reducing health and social costs by cutting drug consumption of those under criminal justice supervision. The program provides a continuum of treatment for 22 participating jurisdictions in conjunction with graduated sanctions for chronic users.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The HIDTA Program concentrates America's drug control efforts in key areas to protect the Nation's frontiers from drug trafficking. Along the Southwest Border and at major ports of entry, HIDTA assists in developing border interdiction, intelligence, investigation and prosecution systems to continue to support cases against those who smuggle, launder money and support the international drug trade.

Goal 5: Break foreign and domestic drug sources of supply.

- Participating agencies in the HIDTA program disrupt both international and domestic drug trafficking by a systematic handling of complex intelligence, investigation, and technical issues. HIDTAs integrate local, State, and Federal law enforcement and prosecution agencies to develop sophisticated investigations of domestic and international drug trafficking organizations.
- HIDTA initiatives focus on both international and domestic drug trafficking organizations. Los Angeles HIDTA's Southern California Drug Task Force, Houston's Major Drug Squads and many HIDTA task forces along the Southwest Border, in Miami, New York and Puerto Rico/U.S. Virgin Islands identify and focus on major drug suppliers.

1999 Request

- The total FY 1999 HIDTA drug control budget request is \$162.0 million which supports all five Goals of the National Drug Control Strategy. No program enhancements are being requested.

V. PROGRAM ACCOMPLISHMENTS

- Equal partnerships between local, state, and federal agencies continue to be built within the 247 collocated initiatives that are made up of more than 700 different agencies. Participating law enforcement agencies benefit from the equal footing that exists between them and the synergy of HIDTA relationships. These agencies achieve substantial efficiencies such as reduced duplication of efforts and the creation of enduring partnerships. Moreover, HIDTA programs provide systemic changes for participating law enforcement organizations, such as institutionalized teamwork, fundamental cooperation, combined training programs, and the sharing of resources and intelligence information. Over time, these partnerships continue to strengthen and grow, while eliminating negative competition between agencies.
- Transcending traditional boundaries of coordination, the drug task forces of the Los Angeles HIDTA are at the cutting edge of task force development. Not only are agency efforts coordinated within task forces, but the Los Angeles HIDTA strategy involves the coordination and integration of all task forces to form teams of task forces. This approach to drug task force planning and mutual investigative support results in significantly higher levels of trust and confidence than does the ad hoc task force approach.
- The HIDTA Program has synchronized local, state, and federal efforts by creating joint systems for them to work together, share intelligence, personnel and technical resources. Regional intelligence centers link shared investigative information and common rules for officer safety. Extensive research and development time and costs are precluded by modifying off-the-shelf technology. New technologies, resources and activities are systematically integrated so that information can be shared within a region and nationwide. These systems enable HIDTAs to respond to the shift in drug trafficking routes caused by disruption of targeted organizations through money laundering and drug investigations and prosecutions, interdiction, drug treatment and prevention.
- In FY 1997, through innovative investigations, modified existing technologies, and integrated agency coordination, HIDTA has advanced the National Drug Control Strategy by improving public safety and disrupting the drug trade. Joint efforts of local, State, and Federal agencies built by HIDTA have achieved major outcomes in FY 1997.
- In Operation Meta, the Southern California Drug Task Force of the Los Angeles HIDTA and DEA offices crippled one of the most sophisticated methamphetamine production and distribution operations in the nation. Dismantling three large clandestine laboratories, whose production was capable of supplying the entire country, the task force exposed invaluable knowledge regarding the methamphetamine trade.

- New York HIDTAs support of the Northern Manhattan Initiative assisted in dismantling 35% of the identified drug gangs in Washington Heights. The impact of the initiative has been to reduce the murder rate by 40%, robbery by 17%, burglary by 30%, grand larceny by 22% and auto theft by 33% in the region. New York HIDTA's El Dorado Task Force used a Geographical Targeting Order (GTO) to close loopholes for money launderers by requiring money service businesses to report cash transactions to Colombia greater than \$750. Immediate results were putting most targeted money remitters out of business and increasing cash seizures at JFK Airport by 900%.
- Some of the largest and most effective investigations in Puerto Rico's history have been made by Puerto Rico HIDTA task forces, with the assistance of other Federal and local law enforcement agencies. The Juan Johan Rivera Rosa Organization, a major drug-smuggling, distribution, and money laundering operation, was dismantled with the assistance of multiple wiretaps, used for the first time in Ponce. The Ayala Martinez Organization, notorious for ruthless executions and unbridled violence, was dismantled, as was the gang run by Miguel Gonzalez Sanchez who took their place. Up to 200 law enforcement officers, including non-HIDTA Federal and local law enforcement agencies, assisted in these sting operations demonstrating the commitment of all law enforcement personnel in Puerto Rico.
- Combining intensive drug interdiction law enforcement and military operations, the Arizona Alliance Planning Committee of the Southwest Border HIDTA coordinated Operation Groundhog, which has emerged as a model in drug control coordination and deconfliction efforts. Over 17 separate missions operating at the same time yielded the seizure of 41,110 pounds of marijuana, 1,167 pounds of cocaine, and 65 pounds of methamphetamine and 218 arrests.

SPECIAL FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$14.720	\$205.000	\$215.000
Goal 2	20.310	12.000	15.000
Goal 3	5.790	0.000	15.000
Goal 4	68.090	0.000	6.000
Goal 5	<u>3.990</u>	<u>0.000</u>	<u>0.000</u>
Total	\$112.900	\$217.000	\$251.000
Drug Resources by Function			
Interdiction	\$67.600	\$0.000	\$1.000
Intelligence	0.000	0.000	5.000
Investigations	12.000	0.000	10.000
Prevention	12.740	205.000	215.000
Treatment	9.640	12.000	20.000
International	0.500	0.000	0.000
State & Local Assistance	1.190	0.000	0.000
Research & Development	<u>9.230</u>	<u>0.000</u>	<u>0.000</u>
Total	\$112.900	\$217.000	\$251.000
Drug Resources by Decision Unit			
Special Forfeiture Fund	<u>\$112.900</u>	<u>\$217.000</u>	<u>\$251.000</u>
Total	\$112.900	\$217.000	\$251.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$112.9	\$217.0	\$251.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Assets Forfeiture Amendments Act of 1988, as amended, established the Special Forfeiture Fund (SFF) to provide ONDCP supplementary resources to enhance drug control activities.
- Deposits to the fund come from the Department of Justice's Assets Forfeiture Fund and the Department of the Treasury's Assets Forfeiture Fund after they meet certain necessary expenses. Funding for the SFF may also be derived from direct appropriations.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 program is \$217.0 million which supports both Goals 1 and 2 of the National Drug Control Strategy.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The FY 1998 program includes \$205 million for activities which support Goal 1 of the National Drug Control Strategy. This consists of \$195 million for the National Youth Anti-Drug Media Campaign (of which \$17 million shall not be obligated prior to September 30, 1998) and \$10 million for the Drug-Free Communities Program.
 - The Media Campaign is a national public education campaign to supplement existing anti-drug public service announcements developed by the Partnership for a Drug-Free America and other organizations and carried by broadcast and print media. This effort encompasses a broad public education campaign that warns our youth of the hazards of using illegal drugs and emphasizes the advantages of drug-free lifestyles. This target group, America's children and adolescents, are highly susceptible to suggestion and peer pressures. It is anticipated that this group, if influenced at school, in the community, and at home, will have the necessary skills to reject drugs, alcohol and tobacco. This media campaign also reinforces (at home) the prevention messages given in schools and communities.
 - The Drug-Free Communities Program supports community anti-drug coalitions throughout the United States in successfully developing and implementing comprehensive, long-term plans to prevent and treat substance abuse among youth. It is a catalyst for increased citizen participation in our efforts to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions. Grants will be made to coalitions of representatives of youth, parents, businesses, the media, schools, youth organizations, law enforcement, religious or fraternal organizations, civic groups, health care professionals, State, local, or tribal government agencies, and other organizations. In carrying out the Program, the Director of ONDCP will: (1) make and track grants to grant recipients; (2) provide for technical assistance and training, data collection and dissemination of information on state-of-the-art practices that the Director determines to be effective in reducing substance abuse; and, (3) provide for the general administration of the Program. The requirement for participating communities to match funding will help ensure local initiatives, support, and accountability.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 program includes \$12 million for activities which support Goal 2 of the National Drug Control Strategy. This consists of \$6 million for a program to reduce drug use in the criminal justice system and \$6 million for Federal Drug-Free Prison Zone Demonstration project.
 - Reducing drug use among those involved in the criminal justice system is a four part program designed to reduce drug use, crime, and violence by linking criminal justice and drug treatment systems. It consists of 1) an enhancement to the Break the Cycle demonstration program, 2) a planning effort to implement a national arrestee drug research data system to evaluate the

drug/crime relationship, 3) a Criminal Justice Diversion Program to provide negative incentives for first-time offenders, and 4) a Juvenile Demonstration program to learn more about the role of treatment in the cycle of juvenile drug use and crime.

- ONDCP is working with the Federal Bureau of Prisons to implement a demonstration and disseminate the results for use by the States.

1999 Request

- The total drug control FY 1999 budget request is \$251.0 million which supports Goals 1, 2, 3, and 4 of the National Drug Control Strategy.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The FY 1999 budget request includes \$215 million for activities which support Goal 1 of the National Drug Control Strategy. This consists of \$195 million for the National Youth Anti-Drug Media Campaign and \$20 million for the Drug-Free Communities Program. The increase of \$10 million is for the Drug-Free Communities Program which would provide funding to support additional community coalitions. These groups should be supported for their efforts to develop plans and programs to coordinate anti-drug efforts for the benefits of the communities. They have the ability to mobilize community resources; inspire collective action; and synchronize complementary prevention, treatment, and enforcement.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The FY 1999 budget request also includes \$10 million for activities which support Goal 3 of the National Drug Control Strategy. This amount consists of a Hardcore Users Study to research and develop national estimates of the size and composition of the hardcore drug user population. One immediate benefit will be to support the Performance Measures of Effectiveness (PME) System.
- The FY 1999 budget request also includes \$26 million that is available at the discretion of the Director of ONDCP to use to enhance drug control activities and address emerging drug threats. It is anticipated that this amount will support Goals 2,3, and 4 of the National Drug Control Strategy.

V. PROGRAM ACCOMPLISHMENTS

- Since the array of programs funded by the Special Forfeiture Fund varies from year to year, a consistent set of program statistics is not available to summarize the activities of this account.

BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 4	\$7.500	\$7.350	\$6.800
Goal 5	<u>185.500</u>	<u>202.650</u>	<u>248.200</u>
Total	\$193.000	\$210.000	\$255.000
Drug Resources by Function			
International	<u>\$193.000</u>	<u>\$210.000</u>	<u>\$255.000</u>
Total	\$193.000	\$210.000	\$255.000
Drug Resources by Decision Unit			
INL	<u>\$193.000</u>	<u>\$210.000</u>	<u>\$255.000</u>
Total	\$193.000	\$210.000	\$255.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	120	128	135
Information			
Total Agency Budget	\$213.0	\$230.0	\$275.0
Drug Percentage	90.6%	91.3%	92.7%

II. METHODOLOGY

- All Department of State International Narcotics and Law Enforcement Affairs programs, except those appropriated for international crime and justice activities, are scored as 100 percent drug-related.

III. PROGRAM SUMMARY

- The Bureau of International Narcotics and Law Enforcement Affairs (INL) has as its mission to develop, implement, and monitor U.S. international counternarcotics strategies and programs in support of the President's National Drug Control Strategy. INL functions also include foreign policy formulation and coordination, program management, and diplomatic initiatives. The Department's drug control programs support Goals 4 and 5 of the National Drug Control Strategy as described below.
 - INL supports participation by some 20 transit zone government enforcement agencies in a cooperative interdiction intelligence project with the El Paso Intelligence Center (EPIC). INL also conducts law enforcement training in cooperating countries to improve the technical and investigative skills of drug law enforcement personnel and to increase the cooperation and coordination between U.S. and foreign law enforcement officials.
 - INL country programs improve foreign government institutional capabilities to implement comprehensive national drug control plans that reduce the availability of illicit drugs and address other drug-related crimes, including money laundering. INL also conducts drug prevention and treatment

programs, supports interregional aviation programs to assist cooperating governments' drug crop eradication and attacks on drug processing sites, and supports international organization programs that promote increased international cooperation in counternarcotics efforts.

IV. BUDGET SUMMARY

1998 Program

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The 1998 program includes \$7.4 million for law enforcement activities which support Goal 4 of the National Drug Control Strategy.
 - These resources fund programs that assist cooperating governments adjacent to U.S. borders and in the transit zone to maintain enforcement organizations that provide information to, and operate cooperatively with, U.S. interdiction authorities, and for training of narcotics control officials.

Goal 5: Break foreign and domestic drug sources of supply.

- The 1998 program contains \$202.7 million for drug-related international programs which support Goal 5 of the National Drug Control Strategy. This includes funding for Latin American country programs, Asia/Africa/Middle East country programs, interregional aviation programs: international organizations, systems support and upgrades, program development and support activities, law enforcement training and demand reduction.
 - INL country programs address the unique counternarcotics issues in Latin American and Asia/Africa/Middle East source and transit countries. These include programs to improve foreign government institutional capabilities to implement comprehensive national drug control plans that reduce cultivation of crops destined for illicit drug use; prevent, control, or punish traffic in illicit drugs or related crimes including money laundering; and reduce demand for drugs through prevention and treatment.
 - Interregional aviation programs support agencies of cooperating governments to eradicate drug crops by aerially-applied herbicides or manual destruction; provide mobility for operations against drug processing and reconnaissance in support of these missions; and transport goods and persons to support drug control activities.
 - INL international organization programs provide funds to international organizations such as United Nations International Drug Control Program (UNDCP), the Organization of American States' Inter-American Drug Abuse Control Commission (CICAD), and the Colombo Plan's Drug Advisory Program. These programs help to foster increased international cooperation in counternarcotics efforts, including drug control activities in certain source countries where U.S. bilateral access is constrained.

1999 Request

- The total FY 1999 INL drug control budget request is \$255 million, an increase of \$45 million over the FY 1998 enacted level. This funding level will expand crop eradication and alternative-development programs to reduce illicit coca cultivation.

Goal 4. Shield America's air, land, and sea frontiers from the drug threat.

- The total drug control request for Goal 4 activities for FY 1999 is \$6.8 million, a decrease of \$0.6 million from the FY 1998 enacted level. This decrease is due to projected lower support costs for maintaining transit zone enforcement organizations and a reduction in narcotics control training programs.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$248.2 million, a net increase of \$45.6 million over FY 1998. This increase supports the following enhancements:
 - **Country Programs.** The additional funding will enhance interdiction support to disrupt illicit drug traffic and provide legal alternative crops or income to farmers to continue reduction of illicit coca cultivation in Peru, Bolivia, and Colombia. Included for FY 1999 are increases in funding for country programs in Colombia, Bolivia, and Peru. Mexico program funding will concentrate on air, land, and coastal interdiction activities.
 - **Interregional Airwing.** Interregional aviation funding will increase by \$3 million to a total of \$41 million for FY 1999. Activities will continue to focus on key programs in Colombia, Bolivia, and Peru, with temporary deployments of aircraft and personnel elsewhere in the Andean region and Central America. INL will exploit all opportunities for aerial eradication while maintaining aggressive interdiction activities.

V. PROGRAM ACCOMPLISHMENTS

- Aerial and/or manual eradication of illicit drug crops during 1997 prevented hundreds of metric tons of coca, opium poppy, or cannabis from being processed into illicit drugs and transported to the United States;
- For the second year in a row, a significant reduction (27 percent) of coca in Peru; from 94,400 hectares to 69,000;
- In Colombia, a total of over 48,000 hectares of coca and opium poppy were aurally- fumigated during 1997;
- A significant reduction (24 percent) of opium cultivation in Thailand;
- An estimated 36 percent decrease in India's illicit opium crop;
- Tough use by the President of the annual narcotics certification process, mandated by law, is exacting stronger political will and unprecedented measures in the major drug-producing and transit countries;
- Peru, Colombia, Bolivia, Venezuela, Mexico and others are jailing more notorious criminals than ever; creation of the High-Level Contact Group with Mexico marks serious potential for cooperation;
- Agreement by Laos, the world's third largest producer of heroin, to initiate eradication of its opium crop;

- INL, working with DEA and other U.S. agencies, supported the creation of specialized and highly-vetted anti-drug investigative units in Colombia, Bolivia, Peru, and Mexico to enhance the ability of those governments to dismantle major international criminal organizations;
- Administration experts are pressing countries to step up their efforts against money laundering; Mexico, Panama, Ecuador, Venezuela, Jamaica, Paraguay, South Africa, Taiwan, and Turkey have adopted vital legal reforms;
- Colombia, Haiti, Jamaica, and Venezuela signed maritime cooperation agreements with the U.S.; Brazil signed a Mutual Legal Assistance Treaty;
- Guatemala, Mexico, and The Bahamas adopted new laws or regulations to control chemical diversion;
- Progress in establishing international law enforcement academies to further regional cooperation against crime; and
- Worldwide training enhanced institutional capabilities of drug enforcement agencies, emphasizing organizational management, asset forfeiture programs and financial investigations, with particular attention to countries concerned in heroin production, traffic, or abuse.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 5	<u>\$1.200</u>	<u>\$1.500</u>	<u>\$1.500</u>
Total	\$1.200	\$1.500	\$1.500
Drug Resources by Function			
International	<u>\$1.200</u>	<u>\$1.500</u>	<u>\$1.500</u>
Total	\$1.200	\$1.500	\$1.500
Drug Resources by Decision Unit			
Narcoterrorism Rewards	<u>\$1.200</u>	<u>\$1.500</u>	<u>\$1.500</u>
Total	\$1.200	\$1.500	\$1.500
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$5.8	\$5.5	\$5.5
Drug Percentage	20.7%	27.3%	27.3%

II. METHODOLOGY

- The Emergencies in the Diplomatic and Consular Service (EDCS) appropriation is used, in part, to fund the Counternarcotics Rewards Program. The amount budgeted for a given year is based on: outstanding cases that are pending payment of rewards, estimates of potential rewards that may be paid to informants who provide information on current counternarcotics targets, and the amount needed for publicity of counternarcotics targets.
- Reward amounts are generally recommended by the overseas diplomatic post that refers a particular case for review by the Counternarcotics Rewards Committee. Factors determining the amount of a reward include, but are not limited to: the value of the information provided, the amount of risk taken by the informant, and the level of involvement by the informant in the arrest or conviction of the drug trafficker. The Committee may vote to approve, increase, or decrease the reward amount. The Committee's recommendation for a reward is approved by the Secretary of State for Management (for amounts over \$100,000) or the Under Secretary of State (for amounts less than \$100,000), with concurrence of the Attorney General.

III. PROGRAM SUMMARY

- The Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL) manages the Counternarcotics Rewards Program in close coordination with the Department of Justice and the Drug Enforcement Administration. The Counternarcotics Rewards Program was established by Congress in 1986 as a tool to assist the U.S. Government in identifying and bringing to justice the major narcotics traffickers responsible for importing hundreds of tons of illicit drugs into the United States each year.

- The Department of State's counternarcotics programs support Goal 5 of the National Drug Control Strategy, "Break foreign and domestic drug sources of supply".
- The Emergencies in the Diplomatic and Consular Service Appropriation provides funds to support the program. Funds available under this appropriation provide rewards for information leading to the arrest or conviction of international narcotics traffickers, or for the frustration of narco-terrorism activities.
- Authorization to make counternarcotics reward payments is detailed in Title 22, United States Code, Section 2708 (Sections 36 (b) and (c) of the State Department Basic Authorities Act of 1956, as amended), the Anti-Drug Abuse Act of 1988 (P.L. 100-690), and the International Narcotics Control Act of 1989 (P.L. 101-231). The latter legislation increased the individual ceiling on counternarcotics rewards to \$2 million. INL's Counternarcotics Rewards Program supports the federal drug control priorities by strengthening international cooperation and actions against narcotics production, trafficking, and use.

IV. BUDGET SUMMARY

1998 Program

Goal 5: Break foreign and domestic drug sources of supply.

- The 1998 program includes \$1.5 million for international activities which support Goal 5 of the National Drug Control Strategy. This amount, which reflects an increase of \$0.3 million over the FY 1997 actual level, provides funds to the Counternarcotics Rewards Program to make rewards payments, and support publicity efforts against major international narcotics traffickers.

1999 Request

Goal 5: Break foreign and domestic drug sources of supply.

- The FY 1999 request includes \$1.5 million for international activities which support Goal 5 of the National Drug Control Strategy. This request sustains the increase to this program which was enacted in FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- From 1989 to the present, the Department of State has expended \$2,050,000 for counternarcotics rewards. Three rewards, totalling \$1.2 million were paid in FY 1997. Thus far in FY 1998, the Department of State is awaiting the concurrence of the Attorney General to provide rewards payments to three recipients totalling \$1,325,000. Two of these rewards recipients provided information and assistance critical to the arrest and conviction of a Mexican narcotics trafficker, who was also on the Federal Bureau of Investigation's Top Ten Most Wanted List. The third reward recipient provided key information and assistance that led to the arrest of a major Pakistani narcotics trafficker.
- The Department of State continues to make progress in the development of publicity plans for rewards targets, using a variety of innovative approaches ranging from an Internet Home Page, public service announcements, and promotion of its program through other DEA and FBI activities. The Counternarcotics Rewards Program is fully integrated into a key interagency counternarcotics intelligence group focused on Latin America, as well as a similar group focused on Asia, and continues to promote vital information to enhance other law enforcement efforts.

UNITED STATES COAST GUARD

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 4	\$471.986	\$395.285	\$430.894
Goal 5	<u>6.162</u>	<u>6.304</u>	<u>6.411</u>
Total	\$478.148	\$401.589	\$437.305
Drug Resources by Function			
Interdiction	\$477.678	\$400.651	\$436.569
Research & Development	<u>0.470</u>	<u>0.938</u>	<u>0.736</u>
Total	\$478.148	\$401.589	\$437.305
Drug Resources by Decision Unit			
Operating Expenses (OE)	\$457.140	\$366.128	\$369.258
Acquisition, Construction, and Improvements (AC&I)	20.538	34.523	67.311
Research, Development, Test and Evaluation (RDT&E)	<u>0.470</u>	<u>0.938</u>	<u>0.736</u>
Total	\$478.148	\$401.589	\$437.305
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,055	5,177	5,478
Information			
Total Agency Budget	\$3,853.8	\$3,997.2	\$4,085.1
Drug Percentage	12.4%	10.0%	10.7%

II. METHODOLOGY

- **Operating Expenses (OE)** funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain its all volunteer active duty military, and civilian workforce. The Coast Guard's Program Budget is a systematic process by which costs to operate and maintain multi-mission resources from the OE appropriation are allocated to operating programs. Items contained in the Coast Guard's drug control Operating Expenses budget reflect drug interdiction's pro rata share of their costs.
- **AC&I:** In scoring drug-related funding requests within the AC&I appropriation, only those assets with a direct contribution to drug interdiction efforts apply. For each AC&I project, the Coast Guard allocates the percentage of the project corresponding to the percentage of time that asset (or type of asset) contributed to the drug law enforcement mission in FY 1997, the most recent year for which data was available. New projects are scored on their projected contribution to drug law enforcement.
- **RDT&E:** This unit contains funding associated with the direct and indirect project support for the drug law enforcement mission. Funding for the direct project support is based on R&D tasks done solely to assist and improve drug detection and interdiction. Test and evaluation of drug detection equipment for improved search techniques under the Comprehensive Maritime Law Enforcement project is an example.

- **FTE:** FTE are calculated based on the percentage of personnel dedicated to drug enforcement from FY 1997 actuals extrapolated from the Coast Guard's Corporate Database accounting system. This percentage is then adjusted for FY 1998-1999 personnel +/- growth according to the drug budget funding activity. Due to the Coast Guard's multi-mission nature as illustrated in the program budget algorithm, this methodology portrays the best estimate of current FTE associated with drug law enforcement activity.

III. PROGRAM SUMMARY

- Maritime drug interdiction is an integral component of the National Drug Control Strategy. The Coast Guard enforces Federal drug control laws in the transit and arrival zones as the Nation's principal maritime law enforcement agency with jurisdiction on, under and over the high seas and U. S. territorial waters. The Coast Guard's goal is to reduce the supply of illegal drugs entering the United States by denying smugglers the use of air and maritime routes and interdicting contraband.
- Campaign *STEEL WEB* is the Coast Guard's ten year Counterdrug Strategic Plan for drug interdiction in the transit and arrival zones in support of the National Drug Control Strategy. The four cornerstones of the Counterdrug Strategic Plan are:
 - Maintain a strong “defense in depth” interdiction presence in the transit and arrival zones;
 - Strengthen ties with source and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas;
 - Support interagency efforts to combat drug smuggling; and,
 - Promote efforts to reduce illegal drug and alcohol use in the maritime environment.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 drug program will sustain interdiction activity in the Operation *FRONTIER SHIELD* area of operations around Puerto Rico and the Virgin Islands. Pulse operations in the vicinity of Haiti and the Dominican Republic will be introduced in FY 1998 as a prelude to Operation *FRONTIER LANCE*, and will serve as a proof of concept for law enforcement operations forward staged out of foreign bases with international partners.
- The FY 1998 base program includes \$401.6 million for drug related activities in support of Goals 4 and 5 of the National Drug Control Strategy. This total includes \$366.1 million for Operating Expenses; \$34.5 million for Acquisition, Construction, and Improvements; and \$0.9 million for Research, Development, Test and Evaluation.
- The FY 1998 OE budget is focused on increasing operations tempo and end-game capability with assets already in the Coast Guard base improving the effectiveness of current law enforcement operations with drug detection sensors, improved intelligence, and increasing the capabilities of international counterparts.

- The FY 1998 AC&I budget funds ongoing contracts such as the 82 foot patrol boat capability replacement and the surface search radar replacement. In FY 1998, the Coast Guard will initiate a project to outfit HC-130 aircraft with Forward Looking Infrared (FLIR) sensors to improve the all-weather and night search capability of the long range aircraft.
- The FY 1998 RDT&E funding is primarily related to improved surveillance sensors, communications, and drug detection systems.

1999 Request

- The FY 1999 drug budget request will allow the Coast Guard to continue *FRONTIER LANCE* and *FRONTIER SHIELD* at FY 1998 levels of effort. Once fully funded in outyears, *FRONTIER SHIELD* and *FRONTIER LANCE* will significantly reduce drug traffic bound for the United States through the Caribbean back door.
- Furthermore, the FY 1999 drug budget request will allow the Coast Guard to maintain interdiction efforts in the maritime regions along the Southwest Border. Under Operations *GULF SHIELD* and *BORDER SHIELD*, the Coast Guard has established maritime operations that complement the coalition efforts of federal, state and local law enforcement agencies to reduce trafficking across the Southwest Border. By cultivating its relationship with the Mexican Navy, the Coast Guard is well positioned to bring an international partnership to bear on the Southwest Border Initiative.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The total drug control request for Goal 4 activities for FY 1999 is \$430.9 million, a net increase of \$35.6 million over FY 1998.
- The FY 1999 OE request will allow the Coast Guard to maintain a presence in high threat areas of the Caribbean within the context of national priorities to balance the federal budget, and continue its participation in joint interagency and international counterdrug efforts in the maritime approaches to the U.S. at each end of the Southwest Border.
- The FY 1999 AC&I and RDT&E funding will leverage technology to improve interdiction efficiency.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$6.4 million.
- The Coast Guard has also requested \$2.3 million in FY 1999 for an International Caribbean Support Tender to draw together the various U.S., European Union and Canadian programs that support Caribbean national security initiatives. The tender would provide training and maintenance to foster international cooperation and significantly improve the operational effectiveness of regional coast guards.

V. PROGRAM ACCOMPLISHMENTS

- Operation *FRONTIER SHIELD* was introduced in FY 1997 in the maritime approaches to Puerto Rico and the Virgin Islands. This region was identified as the second largest gateway, behind the Southwest Border, for drugs into the United States and provided an opportunity to create an immediate and measurable impact. The success of *FRONTIER SHIELD* is directly attributable to the synergy of effort from

the coalition of interagency and international law enforcement agencies involved in the operation. The results and lessons learned serve as a case study for the genuine value of interdiction.

- During FY 1997, *FRONTIER SHIELD* forces around Puerto Rico and the Virgin Islands seized 23 vessels transporting 31,127 pounds of cocaine, arrested more than 100 suspects, and disrupted 17 additional deliveries of an estimated 37,400 pounds of cocaine.
- By interagency estimates, *FRONTIER SHIELD* forces have reduced the flow of cocaine to Puerto Rico by 46%. Smugglers appear to have abandoned direct maritime routes in favor of new (more difficult) routes to the west. FY 1997 seizures in the region were at record levels, roughly 3 times higher than levels of the previous year. More importantly, Puerto Rico is no longer overwhelmed by drug traffickers and illegal migrants. Operation *FRONTIER SHIELD* demonstrates tangible positive impacts of interdiction in Puerto Rico. Drug-related crime is down 37% from the year before and the Governor no longer needs the Puerto Rico National Guard to maintain order in the housing projects. Today, on the streets of San Juan and its feeder cities like New York and Boston, cocaine purity is down and street prices are up nearly 36%.
- The multi-mission Coast Guard has traditionally provided a high rate of return to the public. In FY 1997, overall interdiction efforts resulted in a record year for Coast Guard drug seizures. During the year, the Coast Guard seized (or assisted in the seizure of) 103,617 pounds of cocaine and 102,538 pounds of marijuana products. Cocaine seizures easily surpass the previous record set in FY 1991–90,335 pounds.
- FY 1997 saw a surge in Coast Guard Counterdrug activity. This capability came from both internal and external sources. ONDCP provided the Coast Guard \$14.6 million to increase operating tempo in the Caribbean and along the Southwest Border. Additionally, the Coast Guard temporarily re-deployed effort put into other programs such as illegal migrant interdiction, fisheries law enforcement and other law enforcement activities and missions where threat analysis indicated such temporary re-deployment would not adversely impact our program standards and outcome goals. These two sources of effort allowed the Coast Guard to conduct \$141.3 million of Counterdrug activities above projected base levels.

FEDERAL AVIATION ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 3	9.055	9.529	10.005
Goal 4	<u>9.971</u>	<u>13.111</u>	<u>15.111</u>
Total	\$19.026	\$22.640	\$25.116
Drug Resources by Function			
Interdiction	\$8.119	\$10.353	\$11.788
Investigations	1.852	2.758	3.323
Prevention	8.100	8.505	8.930
Research & Development	<u>0.955</u>	<u>1.024</u>	<u>1.075</u>
Total	\$19.026	\$22.640	\$25.116
Drug Resources by Decision Unit			
Operations	\$18.071	\$21.616	\$24.041
Research, Engineering and Development	<u>0.955</u>	<u>1.024</u>	<u>1.075</u>
Total	\$19.026	\$22.640	\$25.116
Drug Resources Personnel Summary			
Total FTEs (direct only)	183	183	213
Information			
Total Agency Budget	\$8,561.4	\$9,125.7	\$9,751.0
Drug Percentage	0.2%	0.2%	0.3%

II. METHODOLOGY

- The drug budget is based on the number of workyears dedicated to drug-related activities resulting from Federal Aviation Administration (FAA) action.

III. PROGRAM SUMMARY

- The FAA was created by the Federal Aviation Act of 1958, as amended. It controls the use of navigable airspace, develops and operates a common system of air traffic control and navigation for civil and military aircraft, regulates air commerce, and coordinates research and development that pertains to air navigation facilities.
- The FAA assists in identifying airborne drug smugglers by using radar, posting aircraft lookouts, and tracking the movement of suspect aircraft.
- The Anti-Drug Abuse Act of 1988 mandated that FAA assist law enforcement agencies “in the enforcement of laws relating to the regulation of controlled substances, to the extent consistent with aviation safety.”

- The FAA drug-related programs primarily address the areas of drug prevention, interdiction, investigation, and research.
- **Random Drug Testing:** Each year, the FAA conducts preemployment testing of all applicants for safety-related and critical positions, as well as random drug testing of 25 percent of all employees in safety/security critical positions.
- **Interdiction:** These efforts include the development and correlation of flight plans and transponder codes to enhance communications between air route traffic control centers and U.S. Customs/Coast Guard facilities. This enhanced communication also assists in identifying airborne drug smugglers by using radar, posting aircraft lookouts and tracking the movement of suspect aircraft.
- **Intergovernmental Assistance:** FAA has in place a drug interdiction unit to provide assistance to federal, state, and local law enforcement agencies engaged in the investigation and interdiction of drug smuggling via general aviation aircraft.
- **Airmen and Aircraft Registry Program Improvements:** This program is aimed at improving the registration process of general aviation aircraft and the certification process of airmen.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 estimated budget includes \$22.6 million and 183 FTE focused in the areas of prevention, interdiction, investigations, and research (\$10.4 million to support interdiction, \$2.8 million to support investigations, \$8.5 million to support drug prevention efforts, and \$1.0 million to support research activities).

Goal 3: Reduce health and social costs to the public of illegal drug use.

- \$4.3 million to support FAA regulatory oversight of the anti-drug and alcohol misuse prevention programs administered by approximately 5,000 aviation industry entities and individual commercial operators.
- \$1.0 million to support the analysis of post-mortem tissues and fluids from transportation accidents/incidents and assess the effects of drug on performance of pilot and controller tasks.
- \$4.2 million to provide for random drug testing of approximately 25 percent of employees who are designated to be in safety/security critical positions.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- \$3.4 million to support improvements in the Airmen and Aircraft Registry program.
- \$5.3 million to support the development and correlation of flight plans and transponder codes to enhance communications between air route traffic control centers and U.S. Customs facilities and to provide other services as part of the Air Traffic program's involvement in the interdiction program.

- \$1.7 million to support FAA's Drug Investigative Support Units.
- \$1.5 million to support investigations in the Airmen and Aircraft Registry program.
- \$1.3 million for liaison with other law enforcement agencies.

1999 Request

- The FY 1999 request for the FAA totals \$25.1 million and 213 FTE. The request reflects a net increase of \$2.5 million and 30 FTE over FY 1998 levels.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 activities for FY 1999 is \$10.0 million, a net increase of \$0.5 million over FY 1998.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The total drug control request for Goal 4 activities for FY 1999 is \$15.1 million, a net increase of \$2.0 million over FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- FAA reports no new program accomplishments for the fiscal year just ended.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$15.397	\$16.600	\$20.150
Goal 2	<u>14.114</u>	<u>14.126</u>	<u>17.670</u>
Total	\$29.511	\$30.726	\$37.820
Drug Resources by Function			
State & Local Assistance	\$29.271	\$30.476	\$37.520
Research & Development	<u>0.240</u>	<u>0.250</u>	<u>0.300</u>
Total	\$29.511	\$30.726	\$37.820
Drug Resources by Decision Unit			
Highway Safety Programs (O&R):			
Youth Alcohol	\$1.772	\$1.700	\$1.700
Drug Evaluation and Classification	0.599	0.476	0.920
Presidential Initiative on Drugs, Driving, & Youth	—	—	2.000
Alcohol & Drug Youth Initiative	—	1.400	—
Highway Safety Research	0.240	0.250	0.300
Section 402 Formula Grants	20.900	20.900	21.400
Section 410 Alcohol Impaired Driving	6.000	6.000	6.500
Countermeasures Grants	—	—	—
Drugged Driving Incentive Grants	—	—	<u>5.000</u>
Total	\$29.511	\$30.726	\$37.820
Drug Resources Personnel Summary			
Total FTEs (direct only)	5	5	5
Information			
Total Agency Budget	\$300.1	\$333.3	\$405.9
Drug Percentage	9.8%	9.2%	9.3%

II. METHODOLOGY

- Operations and Research (O&R) Account: Drug control numbers are derived from specific budget line items that fund drug and youth alcohol-related activities.
- Highway Traffic Safety Grant Account: Drug control numbers are estimated from trends in expenditures in youth alcohol programs and by applying varying percentages to components of the grant program funding.

III. PROGRAM SUMMARY

- The National Highway Traffic Safety Administration (NHTSA) funds programs that address the problems of drug and drugged driving and prevention programs targeting zero tolerance for alcohol and drug use among youth. The agency's drug control programs are listed below by the National Drug Control Strategy Goal they support.

Goal 1: Educate and enable America's youth to reject illegal drug as well as alcohol and tobacco.

- **Alcohol and Drug Youth Initiative:** This program will bolster training and education for law enforcement, prosecutors, and judges on detecting, arresting, and sanctioning youth alcohol and drug offenders.
- **Youth Alcohol:** NHTSA will continue to emphasize programs for youth. While drinking and driving has decreased even faster for youth than for adults, drivers under 21 are still over-involved in alcohol-related crashes. Extensive evidence demonstrates that both alcohol sale and drinking while driving laws are not well enforced for youth. The agency will continue to assist states and communities in developing zero tolerance laws for youth as well as prevention and enforcement programs to comply with these laws. Specifically, the agency will continue to assist states in training police officers in enforcement of traffic and drinking laws pertaining to youth. Enforcement demonstration projects will also highlight effective police strategies and programs.
- **Drug Evaluation and Classification (DFC):** The central purpose of this program is to assist states with drugged driving programs and to institutionalize DEC technical assistance to law enforcement with the International Association of Chiefs of Police. The main goal of DEC is to increase the number of participating states to maintain a national prevention infrastructure.
- **Highway Traffic Safety Grants:** State and local governments are key partners in working toward NHTSA's goal to reduce deaths, injuries, and economic losses resulting from motor vehicle crashes. Federal aid to states and communities is available to assist this effort. Through Section 402 of the Highway Safety Act (the State and Community Highway Safety Grant Program) and Section 410 of the Highway Safety Act (the Alcohol-Impaired Driving Countermeasures Grant Program), funds are provided to states to prevent drugged and drunk driving through education, public information, and enforcement. Elements of this program directed toward youth populations support Goal 1 of the National Drug Control Strategy.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- **Highway Safety Research:** This program provides funding for youth alcohol-impaired and drug-impaired driving. The primary focus of the alcohol and drug research program is to identify the scope and nature of the impaired driving problem, identify specific target groups and to develop associated countermeasure programs aimed at these target populations. Research is also conducted to improve methods for police enforcement of youth alcohol-impaired driving and drugged driving laws.
- **Highway Traffic Safety Grants:** In addition to supporting Goal 1, as described above, elements of this program that are dedicated toward a broader population support Goals 2 of the National Drug Control Strategy.

IV. BUDGET SUMMARY**1998 Program**

- The total base program for FY 1998 is \$30.7 million. This includes \$16.6 million for state and local assistance and R&D activities that support Goal 1 and \$14.1 million for state and local assistance activities that support Goal 2. The base program funds activities in both the Highway Traffic Safety Grant and the Operations and Research accounts.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

	(\$ in millions)
Youth Alcohol	\$1.7
Alcohol and Drug Youth Initiative	1.4
Highway Safety Research (Youth Alcohol)	0.1
Section 402 State and Community Formula Grants	10.5
Section 410 Alcohol Incentive Grants	<u>3.0</u>
Total	\$16.6

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

	(\$ in millions)
Drug Evaluation and Classification	\$0.5
Highway Safety Research (Drug)	0.2
Section 402 State and Community Formula Grants	10.5
Section 410 Alcohol Incentive Grants	<u>3.0</u>
Total	\$14.1

1999 Request

- The total drug control budget request for FY 1999 is \$37.8 million. This funding level represents an increase of about \$7.1 million over the FY 1998 enacted level.
- Enhancements are based on the request for the new Drugged Driving Incentive Grant program. The grants will encourage states to implement laws and programs such as Zero Tolerance Law for Illicit Drugs, Drug Impaired Driving Law, Mandatory Testing for Drugs Law, Administrative License Revocation for Drugs, License Revocation/Suspension of Persons Convicted of Drug Offenses, Graduated Licensing System that Includes Drug Use and Drugged Driving Provisions. States that receive grants must use the funding to support programs to reduce drugged driving. About \$5 million will be applied toward this effort.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The total drug control request for Goal 1 activities for FY 1999 is \$20.2 million, a net increase of \$3.5 million over FY 1998. The 1999 request includes the following program funding levels:

	(\$ in millions)
Youth Alcohol	\$1.7
Presidential Initiative on Drugs, Driving & Youth	2.0
Section 402 State and Community Formula Grants	10.7
Section 410 Alcohol Incentive Grants	3.3
Drugged Driving Incentive Grants	<u>2.5</u>
Total	\$20.2

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$17.7 million, a net increase of \$3.5 million over FY 1998. The 1999 request includes the following program funding levels:

	(\$ in millions)
Drug Evaluation and Classification	\$0.9
Highway Safety Research (Drug)	0.3
Section 402 State and Community Formula Grants	10.7
Section 410 Alcohol Incentive Grants	3.3
Drugged Driving Incentive Grants	<u>2.5</u>
Total	\$14.1

V. PROGRAM ACCOMPLISHMENTS

- Drugs, Youth, and Driving Presidential Initiative developed in conjunction with other Federal Partners to reduce the incidence of youth driving under the influence of drugs.
- Provided training to judges and prosecutors to assist in the DEC evidence admitted to facilitate the prosecution and adjudication of drug-impaired drivers. Since 1996, there have been successful court cases in Arizona, Colorado, Florida, Maryland, Minnesota, and New York.
- The status of major studies and research projects is listed below:
 - Completed a laboratory study of non-invasive drug testing devices for police use.
 - Implemented a field study of non-invasive drug test devices for police use.
 - Completed a survey of self-reported driving after drug use from a national probability sample of approximately 14,000 respondents (a driving module added to the National Household Survey on Drug Use).
 - Completed a study of drug use by seriously injured drivers.
- Conducted three to six workshops per year utilizing recently completed Teen Court manual to demonstrate the success of teen courts as an alternative to adjudicating less serious traffic, alcohol, and drug offenses.

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 1	\$7.480	\$7.280	\$5.600
Goal 2	\$168.070	220.205	223.129
Total	\$175.550	\$227.485	\$228.729
Drug Resources by Function			
Prevention	\$7.480	\$7.280	\$5.600
Investigations	168.070	220.205	223.129
Total	\$175.550	\$227.485	\$228.729
Drug Resources by Decision Unit			
Criminal Enforcement	\$161.298	—	—
Regulatory Enforcement	3.738	—	—
Reduce Violent Crime	—	\$185.068	\$228.729
Laboratory Construction	—	30.812	—
Crime Control Act:			
GREAT Program	7.480	7.280	—
CEASEFIRE/Proj. Lead	3.034	—	—
Arson & Explosives Repository	—	0.900	—
Illegal Firearms Trafficking	—	3.360	—
Increased Inspections	—	0.065	—
Total	\$175.550	\$227.485	\$228.729
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,536	1,529	1,582
Information			
Total Agency Budget	\$504.9	\$572.1	\$601.7
Drug Percentage	34.8%	39.8%	38.0%

II. METHODOLOGY

- The estimate of drug-related costs is based upon the time expended (FTE) on investigations that result in drug charges being filed against defendants. The Bureau takes the total of all defendants in a year and the defendants charged with U.S.C. 18 section 924 and/or narcotics to derive a ratio.

III. PROGRAM SUMMARY

- The Bureau of Alcohol, Tobacco, and Firearms (ATF) was established in 1972 with the statutory responsibility for revenue collection, regulatory and criminal enforcement of the alcohol, tobacco, firearms, and explosives commodities. ATF accomplishes its duties through 21 Criminal Enforcement district offices.
- The established link of firearms violence and drug trafficking has resulted in a significant portion of ATF's resources for counternarcotics activities.

- The drug control funding priorities identify several items that ATF has been involved with for many years. The Bureau's GREAT program is highly successful in its method of bringing an anti-violence and anti-drug message to children nationally. In addition, the Achilles Program, International Trafficking in Firearms, and Operation Alliance support the drug control program.
- ATF is also a participant in federal, state, and local task forces, including the Organized Crime Drug Enforcement Task Force.

IV. BUDGET SUMMARY

1998 Program

- In FY 1998, ATF received a total of \$227.5 million and 1,529 FTE in drug-related funding.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The GREAT (Gang Resistance Education and Training) Program is a national program of recognized success in bringing an anti-violence, anti-drug message to the Nation's youth. In FY 1998, the ATF-run program will receive \$7.3 million in funding support from the Violent Crime Reduction Trust Fund.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- A preponderance of ATF's responsibility within the drug control program lies in its law enforcement functions in support of Goal 2 of the National Drug Control Strategy. For FY 1998, \$220.2 million has been appropriated to support these activities.
- The Bureau's drug-related functions supporting Goal 2 of the National Drug Control Strategy are as follows:
 - Detect and prevent distribution of firearms into illegal channels and into the possession of prohibited persons.
 - Investigate arson and explosives-related incidents have a significant community-related impact.
 - Assist state and local law enforcement agencies in reducing crime and violence.
 - Reduce illegal trafficking, possession and use of firearms, destructive devices, and explosives.

1999 Request

- The President's budget includes a total of \$228.7 million and 1,582 FTE for the ATF, an increase of \$1.2 million and an increase of 53 FTE from the FY 1998 level.

Goal 1: Educate and enable America's youth to reject illegal drugs as well as the use of alcohol and tobacco.

- The FY 1999 funding request for Goal 1 activities is \$5.6 million for the GREAT program. This represents a decrease in funding from the FY 1998 level of \$1.7 million.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$223.1 million, a net increase of \$2.9 million over FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- Operation Store House: This Achilles Task Force case culminated in June, 1995, arrests of 54 defendants, 19 of whom were armed career criminals (individuals having 3 or more violent felony convictions), and the seizure of 70 firearms, 45 pounds of methamphetamine, 315 pounds of marijuana, 72,000 ml of hash oil, eighty-three 55-gallon barrels of methamphetamine laboratory buildings, night vision equipment, 5 vehicles, 2 jet skis, and \$80,000 in U.S. currency. This case resulted in the dismantling of a large scale, armed methamphetamine and marijuana distribution network.
- The 640 Crew Investigation: The 640 Crew is a violent cocaine and heroin trafficking organization operating in the Park/Morton area of Washington, DC. For years, this crew seized an entire neighborhood through firearms-related violence and intimidation in the furtherance of narcotics trafficking activities. Crew members committed dozens of murders, rapes, robberies, and acts of violence against witnesses and others who would threaten their network. A 14-month investigation was initiated on the illegal activities of the 640 Crew that culminated in the arrest of numerous defendants on charges including Federal firearms and narcotics crimes, murders, rapes, assaults, and witness intimidation.
- The Griertown Crack Down Investigation: In November, 1993, ATF initiated an Organized Crime Drug Enforcement Task Force investigation that was known as the Griertown Crack Down because of continued incidents of violence in Charlotte. The investigation targeted an individual and his Jamaican organization. These individuals were responsible for trafficking crack cocaine into the Griertown area of Charlotte. Currently, 35 defendants have been identified, indicted, arrested, and convicted for violations of the federal firearms, narcotics, and conspiracy laws.

U.S. CUSTOMS SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$27.245	\$26.865	\$28.836
Goal 4	452.341	473.346	527.500
Goal 5	<u>103.616</u>	<u>106.166</u>	<u>116.439</u>
Total	\$583.202	\$606.377	\$672.775
Drug Resources by Function			
Interdiction	\$479.627	\$501.761	\$558.208
Investigations	98.575	99.616	111.067
Research & Development	<u>5.000</u>	<u>5.000</u>	<u>3.500</u>
Total	\$583.202	\$606.377	\$672.775
Drug Resources by Decision Unit			
Salaries and Expenses	\$472.071	\$473.810	\$521.153
Operations and Maintenance	98.773	88.120	93.564
Facilities, Construction, & Improvements	2.483	—	—
Violent Crime Reduction Trust Fund	<u>9.875</u>	<u>44.447</u>	<u>58.058</u>
Total	\$583.202	\$606.377	\$672.775
Drug Resources Personnel Summary			
Total FTEs (direct only)	4,697	4,720	4,789
Information			
Total Agency Budget	\$1,632.9	\$1,677.7	\$1,801.0
Drug Percentage	35.7%	36.1%	37.4%

II. METHODOLOGY

- Customs uses the percentages below to estimate the amount of resources the agency dedicates to drug enforcement activities:

Appropriation Activity/subactivity	Drug enforcement percentages
Salaries and Expenses	
Inspections	
Passenger Processing	41%
Cargo Examination	13%
Canine Enforcement	100%
Program Support	30%
Enforcement	
Air Interdiction	95%
Marine and Other Interdiction	95%
Commercial Fraud Investigations	0%
Illegal Export Investigations	60%
Interdiction Investigations (sub-activity)	100%
Criminal/Statutory Investigations	25%
Program Support	60%
Tariff and Trade	0%
Operations and Maintenance	95%
Air Facilities and Construction	95%
Violent Crime Reduction Trust Fund	100%

- In some cases, the percentages listed above can be applied across the board when programs and/or budget changes can reasonably be expected to affect a broad area of the agency's programs or activities. However, in the event a program or budget change impacts a specific area within Customs, programmatic knowledge of the change will be used in determining the exact drug-related impact.

III. PROGRAM SUMMARY

- Titles 18 U.S.C. and 19 U.S.C. authorize the Customs Service to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that Customs plays a key role in the overall anti-drug effort at the border. In addition, Customs has a broad grant of authority to investigate international financial crime and money laundering. Customs jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority of the Bank Secrecy Act, Money Laundering Control Act, and other Customs laws.
- Customs employs sophisticated targeting systems, x-ray technology, specifically configured interdiction aircraft, vessels, and detector dogs that enable Customs to successfully target, identify, and apprehend the willful violator while efficiently processing the flow of law abiding international passengers and compliant commercial cargo entering the United States.
- Customs investigative approach which targets the "command and control" structure of a drug smuggling organization in order to disrupt its transportation cells, uses techniques such as surveillance, electronic wire intercepts, controlled deliveries, undercover operations, and money pick-ups. In addition, Customs pursues legislative initiatives and offers training designed to facilitate the work of our foreign investigative counterparts and Customs.
- Customs is a leader in the development and application of non-intrusive detection techniques for finding illegal drugs on persons and in cargo, vehicles, mail, and luggage. With the support of the Department of Defense and the Office of National Drug Control Policy, Customs is continuing to identify new technologies that will improve and facilitate the operational systems that are currently in use at our ports of entry.
- Customs has actively supported task forces and High Intensity Drug Trafficking Areas (HIDTA) operations in the past and will continue to do so in the future. In addition, Customs participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). There is a Customs OCDETF Coordinator sitting on each of the nine OCDETF Regional Advisory Boards who actively interacts with other federal law enforcement agencies, as well as Chiefs of Police and State Attorneys.
- In support of Customs Southwest Border drug interdiction initiative, Operation HARD LINE, Customs designed an intelligence system to respond to the intelligence requirements of its field offices. The system was built around the Intelligence Collection Analysis Team (ICAT) concept. Initially established at selected sites along the Southwest border, the ICAT program now includes the entire southern tier of the U.S. from San Diego to San Juan. ICAT's maximize the full potential of intelligence sources available to the Customs Service and focus on the field development of intelligence through informants, document exploitation, and surveillance.

IV. BUDGET SUMMARY

- The Customs drug enforcement program estimates are based on separate percentages applied to programs in Customs Salaries and Expenses; Air and Marine Operations and Maintenance; Facilities, Construction, Improvement and Related Expenses; and the Violent Crime Reduction Trust Fund decision units.

1998 Program

- In FY 1998, the Customs Service will support \$606.4 million in resources to the counterdrug effort. Of the total funding, \$26.9 million will support Goal 2 activities, \$473.3 million will support Goal 4 activities, and \$106.1 million will support Goal 5 activities. Major initiatives funded as part in FY 1998 include:
 - A total of \$20 million for non-intrusive inspection systems, including high energy x-ray systems at seaports, automated targeting systems, and agamma ray inspection systems.
 - \$5.0 million for vehicle and container inspection systems.
 - \$9.5 million for Land Border Port Automation.
 - \$8.4 million for 119 additional cargo inspectors to conduct intensive narcotics inspections.
 - \$4.5 million to retrofit Customs helicopters with Forward Looking Infrared Radar (FLIRs).

1999 Request

- The FY 1999 total drug control budget request is \$672.8 million and 4,789 FTE, an increase of \$66.4 million and 69 FTE over FY 1998.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$28.8 million and 272 FTE, a net increase of \$2.0 million over FY 1998.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The total drug control request for Goal 4 activities for FY 1999 is \$527.5 million and 3,987 FTE, a net increase of \$54.2 million and 48 FTE over FY 1998.
- The Customs request includes \$54.0 million in drug enforcement funding for non-intrusive inspection technology for high risk ports of entry. Of the total, \$41.0 million is requested for non-intrusive inspection technology for the Southwest Border, \$10.0 million is requested for sea port non-intrusive technology, and \$3.0 million is requested for automated targeting systems to be used in conjunction with the sea port non-intrusive technology systems.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$116.4 million and 530 FTE, a net increase of \$10.3 million and 21 FTE over FY 1998.

- The FY 1999 base includes source zone activities of the Customs Air Program the FY 1999 request includes Marine Enforcement operations, intelligence operations, and high profile narcotics investigations in support of Operation Hard Line that target drug trafficking organizations.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1996, Customs accounted for or assisted in the seizure of 86% of all the heroin, 76% of the cocaine, and 67% of the marijuana by federal law enforcement agencies.
- Customs seized \$255.3 million in monetary instruments (currency and negotiable paper) in FY 1997, most of which is related to narcotics trafficking.
- Operation Hard Line seizures along the Southwest border were 33,106 pounds of cocaine, 597,068 pounds of marijuana, and 197 pounds of heroin.
- Customs Air Program continued to provide valuable support to international counterdrug efforts throughout the source and transit zones. Customs aircraft deployed to South America contributed to the continued denial of the Peru to Colombia air bridge. In the Transit Zone, Customs aircraft contributed to the identification and subsequent interdiction of drug trafficking vessels which led to the seizure of 23,221 pounds of cocaine and 7,697 pounds of marijuana.
- The Customs Marine Enforcement Program seized 31,538 pounds of cocaine, 25,040 pounds of marijuana, 39 pounds of liquid hash, as it saw the reemergence of go-fast type vessels smuggling drugs into South Florida from the Bahamas and the continuation of marine smuggling activity in Puerto Rico and on both sides of the Mexican border.
- Installed an additional truck x-ray at Calexico and a gamma-ray system along the Southwest border.
- In FY 1997, many field offices used the Customs Strategic Problem Solving (SPS) methodology to attack enforcement problems ranging from narcotics smuggling to the importation of unfit foodstuffs. The South Florida seaport, JFK Airport and Los Angeles Airport offices used the method to attack narcotics smuggling by internal conspiracy among port workers. These offices seized 6,500 pounds of cocaine, 31,000 pounds of marijuana, and 3 pounds of heroin as a result of their efforts.
- In FY 1997, funds were appropriated to retrofit two additional P-3s for service with the Customs Air Program. This retrofit will be complete, and the aircraft will come into service with Customs Service in FY 1999.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$41.277	\$58.748	\$59.171
Goal 5	<u>0.167</u>	<u>0.179</u>	<u>1.685</u>
Total	\$41.444	\$58.927	\$60.856
Drug Resources by Function			
Investigations	\$40.318	\$56.795	\$57.169
State & Local Assistance	0.959	1.953	\$2.002
International	<u>0.167</u>	<u>0.179</u>	<u>1.685</u>
Total	\$41.444	\$58.927	\$60.856
Drug Resources by Decision Unit			
Salaries and Expenses	\$25.494	\$38.798	\$43.828
Counter Terrorism Amendment:			
Basic Training	0.483	—	—
Construction	0.112	—	—
Acquisitions, Construction, Improvements, and Related Expenses	15.355	19.529	17.028
Violent Crime Reduction Program:			
Rural Drug Training	—	<u>0.600</u>	—
Total	\$41.444	\$58.927	\$60.856
Drug Resources Personnel Summary			
Total FTEs (direct only)	230	316	332
Information			
Total Agency Budget	\$77.8	\$98.2	\$100.3
Drug Percentage	50.0%	60.0%	60.7%

II. METHODOLOGY

- The Federal Law Enforcement Training Center (FLETC) computes its drug program as approximately two-thirds of its budget. Drug awareness and identification training is provided in the FLETC basic programs. In addition, many of the generic skills taught at the FLETC, such as execution of search warrant, law of arrest, self defense, and other, are essential to properly train law enforcement officers to deal with drug-related crimes.
- To more completely identify the level of support provided in the counterdrug effort, a methodology has been developed to gauge the FLETC's efforts. This methodology entails the calculation of the amount of time spent on drug-related enforcement duties by the major agencies trained by the FLETC, including the Bureau of Alcohol, Tobacco, and Firearms, Internal Revenue Service, Customs Service, Bureau of Prisons, Immigration and Naturalization Service, Marshals Service, and the Forest Service. This percentage is then applied to the total training effort based on an estimated increase in the number of students to be trained in support of the Administration's initiative on border control and increased workload by the Immigration and Naturalization Service, U.S. Border Patrol, and U.S. Customs Service.

III. PROGRAM SUMMARY

- The FLETC is an interagency training facility serving 70 federal law enforcement organizations. The major training efforts are basic programs teaching law enforcement skills to investigative and police personnel. The FLETC also conducts advanced programs in areas of common need, such as the use of microcomputers as an investigative tool, marine law enforcement, white collar crime, advanced law enforcement photography, and several instructor training programs. In addition, the FLETC offers programs to state and local and international law enforcement officers on a not-to-interfere-with-federal-training basis.
- The FLETC's role in supporting the federal drug control priorities is one of providing training to federal law enforcement agencies, thus eliminating the duplication of training activities. With the training function that FLETC offers to law enforcement officers in federal, state, and local agencies, each is better equipped to perform their duties with the ultimate goal of reducing drug production, availability, and use.

IV. BUDGET SUMMARY

1998 Program

- The FLETC's drug-related program resources for FY 1998 consist of \$58.9 million and 316 FTEs. These support the FLETC's continuing training efforts, as well as construction and facility maintenance.
- During FY 1998, in support of the participating agencies' drug enforcement training, the FLETC expects to conduct (based on April 1997 projections) the following activities:
 - Basic training for 7,345 students involving 56,904 student-weeks for an Average Resident Student Population (ARSP) of 1,094.
 - Advanced training for 6,613 students involving 12,763 student-weeks for an ARSP of 245.
 - State and local training for 1,414 students involving 2,018 student-weeks for an ARSP of 39.
 - International training for 304 students involving 1,432 student-weeks for an ARSP of 28.

1999 Request

- The total drug control FY 1999 request is \$60.9 million, an increase of \$1.9 million over the FY 1998 enacted level.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$59.2 million, a net increase of \$423,000 over FY 1998. The 1999 request includes the following enhancements:
 - The request includes basic training for more than 6,800 federal law enforcement officers totaling over 55,000 student weeks.

- The request includes advanced training for more than 6,600 federal law enforcement officers totaling nearly 7,500 student weeks.
- The request includes nearly 1,400 state and local law enforcement students and almost 2,000 student weeks of training.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$1.7 million, a net increase of \$1.5 million over FY 1998. The 1999 request includes the following enhancement:
 - The request includes an increase of 380 additional students as part of FLETC's international training program.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, the FLETC provided law enforcement training to over 11,500 officers; this number will increase to approximately 15,500 in FY 1998 and 16,500 in FY 1999.
- In FY 1997, the FLETC started construction on a new dormitory and four new firearms ranges, thus providing state-of-the-art facilities for law enforcement training.
- The replacement of the current cable plant with fiber optics will begin in FY 1998, thus providing the infrastructure to support various training initiatives and improve on center communications as well.
- In FY 1998, FLETC expects to award a contract for construction of two additional firearms ranges and complete the design for an additional dormitory and classroom building to be constructed in FY 1999 at the Glynco facility.

FINANCIAL CRIMES ENFORCEMENT NETWORK

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
	1997 Actual	1998 Enacted	1999 Request
Drug Resources by Goal			
Goal 5	\$11.391	\$11.918	\$12.500
Drug Resources by Function			
Intelligence	\$11.391	\$11.918	\$12.500
Drug Resources by Decision Unit			
Salaries and Expenses	\$11.102	\$11.418	\$12.000
Treasury, Office of Enforcement	<u>0.289</u>	<u>0.500</u>	<u>0.500</u>
Total	11.391	\$11.918	\$12.500
Drug Resources Personnel Summary			
Total FTEs (direct only)	82	91	91
Information			
Total Agency Budget	\$22.8	\$23.8	\$25.0
Drug Percentage	50.0%	50.0%	50.0%

II. METHODOLOGY

- The Financial Crimes Enforcement Network (FinCEN) drug control budget proceeds from an estimate of support it will provide to HIDTA, Interagency Crime and Drug Enforcement task forces, OCDETF, and in support of narcotics-related investigations by law enforcement agencies at several echelons. The current specification of FinCEN's mission supports an equal split of resources between drug and non-drug investigative activities.

III. PROGRAM SUMMARY

- The mission of the Financial Crimes Enforcement Network is to support and strengthen domestic and international anti-money laundering efforts, and to foster inter-agency and global cooperation to that end, through information collection, analysis, and sharing, technological assistance, and innovative and cost-effective implementation of Treasury authorities. FinCEN's drug control activities support Goal 5 of the National Drug Control Strategy, "Break foreign and domestic drug sources of supply."
- FinCEN is the United States' central point for broad-based financial intelligence, analysis, and information sharing. This service is provided to federal, state, local and international law enforcement agencies to assist them in building investigations, preparing prosecutions, and developing and implementing strategies to combat narcotics-related money laundering.
- Because the changing financial world creates vast opportunities for criminals to hide illicit proceeds, FinCEN works with its domestic and international partners to maximize the information sharing network and find new ways to create cost-effective measures to prevent and detect money laundering by major trafficking organizations.

- FinCEN administers the Bank Secrecy Act, which is a key component of Treasury's efforts to combat money laundering.
- FinCEN's goal is to provide law enforcement support through information analysis and the creation of new information resources for the prevention, detection, and prosecution of money laundering. Primary strategies include using state-of-the-art technology for information sharing to law enforcement; building new law enforcement resources through the use of the Bank Secrecy Act (BSA) and analysis of money laundering trends and patterns; and strengthening anti-money laundering efforts internationally.
- To use state-of-the-art technology for information sharing and analysis: FinCEN uses technology to exploit information collected in its databases to provide quality and timely information to law enforcement investigations of financial criminals.
- To build new law enforcement resources through effective use of the Bank Secrecy Act: FinCEN monitors and adjusts BSA rules to meet the evolving needs for information by law enforcement and regulatory agencies. FinCEN is emphasizing the reporting of suspicious activity by the entire financial industry and is studying emerging technologies to determine the vulnerability of those systems to money laundering and reviews mechanisms for anti-money laundering safeguards to minimize abuse.
- To build new law enforcement resources through focused and sophisticated analysis of the elements of major cases and of trends and patterns of money laundering and related financial crimes: FinCEN brings together various law enforcement, regulatory, and banking components in order to focus on and discuss problematic topics of mutual concern. These partnership meetings are an effective and efficient way to address emerging and existing trends and methods of money laundering and financial crime. FinCEN issues advisories and trend reports to inform its partners and highlight current financial crime schemes and trends.
- To strengthen anti-money laundering efforts internationally: Efforts to reduce money laundering in the U.S. has forced drug traffickers to turn to other countries to cover their illicit profits. FinCEN assists its federal law enforcement counterparts in following the trail of the multinational money launderer by strengthening its partnership with the international community. Through linkages with multinational arrangements, FinCEN shares ideas and information generated throughout the law enforcement community. FinCEN is encouraging the establishment of task forces by language, or common interest, as an effective way to encourage and assist member countries to bring their financial policies into conformity with international money laundering standards.

IV. BUDGET SUMMARY

1998 Program

Goal 5: Break foreign and domestic drug sources of supply.

- FinCEN's 1998 program includes \$11.9 million and 91 FTE which supports domestic and international anti-narcotics related money laundering efforts by providing support through collection, analysis, and sharing of information, and providing technological assistance. This includes \$0.5 million from the Violent Crime Trust Fund to support international efforts against money laundering and establish a secure web for sharing information.

1999 Request

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for goal 5 activities for FY 1999 is \$12.5 million, which includes \$0.5 million from the Violent Crime Trust Fund. FinCEN's request represents a net increase of \$0.6 million over FY 1998. The Violent Crime Trust Fund portion of this program includes enhancements:
 - To exploit SAR information through the use of high technology and improve the quality and quantity of intelligence products produced so as to further FinCEN's customers' knowledge base both domestically and abroad.
 - For an innovative outreach to support law enforcement drug related financial investigations.
 - For a proposal to measure the magnitude of money laundering.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, FinCEN continued to encourage partnership efforts among law enforcement, regulatory, and financial communities to combat narcotics-related money laundering. The information derived from FinCEN assisted in the seizure of assets from major drug cartel associates.
- In FY 1997, disseminated information on narcotics-related money laundering trends and patterns in publications, at conferences, and at other outreach activities. Completed an assessment of strategies implemented to counter drug trafficker exploitation of commercial trade.
- In FY 1997, broadened relationships with the regulatory community and the financial service provider industries to hinder criminals actions to launder drug profits. Continued and built on the improved compliance climate, by championing burden reduction initiatives wherever those were possible. Proposed regulations to subject card clubs to the same reporting and record keeping requirements and anti-money laundering safeguards of the BSA as those in place for state-licensed and tribal casinos. Also, proposed regulations to place money-service businesses under BSA regulation.
- In FY 1997, worked closely with the Department of State and the Department of the Treasury's Assistance Secretary for International Affairs and various bureaus on several international anti-money laundering initiatives, both bilateral and multilateral. FinCEN continued to encourage and support the establishment of Financial Intelligence Units which are increasingly recognized as the key third component of national anti-money laundering programs—along with the criminalization of money laundering and implementation of anti-money laundering statutes and regulations.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	—	\$46.326	\$47.568
Goal 4	—	<u>27.468</u>	<u>28.332</u>
Total	—	\$73.794	\$75.900
Drug Resources by Function			
Investigations	—	\$46.326	\$47.568
Interdiction	—	<u>27.468</u>	<u>28.332</u>
Total	—	\$73.794	\$75.900
Drug Resources by Decision Unit			
IRS	—	\$36.290	\$37.016
ATF	—	\$10.036	\$10.237
Customs	—	\$27.468	\$28.017
Treasury, Office of Enforcement	—	—	<u>0.630</u>
Total	—	\$73.794	\$75.900
Information			
Total Agency Budget	—	\$73.8	\$75.9
Drug Percentage	—	100%	100%

II. METHODOLOGY

- All of the funds in the Interagency Crime and Drug Enforcement (ICDE) are scored as drug- related.

III. PROGRAM SUMMARY

- Under the leadership of the Department of Justice, the Treasury Department administers the Interagency Crime and Drug Enforcement (ICDE) appropriation provided to Treasury bureaus. Jointly, these agencies establish priorities.
- Formerly called the Organized Crime Drug Enforcement Task Force (OCDETF) program and originally established in 1982, the primary goal of the program is to target, investigate, and prosecute individuals who organize, direct, finance, or otherwise engage in high-level illegal drug trafficking enterprises, including large-scale money laundering activities.
- This budget represents the portion of the ICDE funds previously appropriated to the Department of Justice (DOJ) for Treasury law enforcement bureaus participating in the program and are now funded through the Treasury-Postal appropriation.

- Participating agencies coordinate their activities and cooperate within a national regional task for structure. Consisting of a representative from each participating agency, regional task forces foster a spirit of cooperation among federal, state, and local law enforcement agencies and bring some of the best specialized investigative and prosecutorial talent of each agency to bear on cases which have qualified for referral under special criteria.
- From FY 1988 until FY 1997, DOJ annually prepared a consolidated request for OCDETF on behalf of all participating agencies. Eleven agencies participate and seven other DOJ law enforcement organizations dedicated to the program received resources from the bill on a reimbursable basis. The Bureau of Alcohol, Tobacco, and Firearms; the U.S. Customs Service; and the Internal Revenue Service are the Treasury bureaus participate in this program. Prior to FY 1998, DOJ reimbursed the Treasury bureaus for salaries and expenses expended on the cases that had been referred to and accepted by the task forces.
- The ICDE Task Force Program consists of 9 regional task forces which consolidate the resources and expertise of 11 member federal agencies in cooperation with state and local investigators and prosecutors to target and destroy major narcotics trafficking and money laundering organizations.
- Activities performed under this appropriation are core governmental functions which must continue on a day-to-day basis. Specific benefits include:
 - Consolidated Departmental Oversight: Appropriating directly to the Treasury Department enhances Treasury Enforcement's ability to exercise consolidated Departmental oversight in the management and allocation of resources concomitantly with streamlining administrative coordination with non-Treasury participating agencies.
 - These enhancements can be achieved while maintaining the integrity of existing guidelines which allow individual task forces to be tailored to meet the special needs of regional ICDE investigative and prosecutorial personnel.
 - Interagency cooperation to solve crimes: The overall goal is to identify, investigate, and prosecute members of high-level drug trafficking and related enterprises will be maintained through interagency coordination and thereby generate more and better cases against drug trafficking and related organizations.
 - When Treasury bureaus refer cases to the task forces, Treasury benefits from the highly specialized talents of each agency and, at the same time, receives reimbursement for resources expended. Likewise, other agencies benefit from Treasury's expertise in solving their cases. The types of cases referred to ICDE are extremely complex and are characterized by conspiracies of large, well organized criminal enterprises. These cases can often extend over a wide geographic area.

IV. BUDGET SUMMARY

1998 Program

- In FY 1998, a total of \$73.8 million was appropriated to the ICDE program.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The FY 1998 appropriation includes \$36.3 million for money laundering investigations conducted by the Internal Revenue Service (IRS) and \$10.0 million for firearms-related violence investigations conducted by the Bureau of Alcohol, Tobacco, and Firearms (ATF)

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- The FY 1998 appropriation includes \$27.5 million for interdiction activities conducted by the U.S. Customs Service.

1999 Request

- In FY 1999, ICDE is requesting a total of \$75.9 million, an increase of \$2.1 million over the FY 1998 level.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$47.6 million—\$37.3 million for the IRS and \$10.3 million for the ATF. In total, the net increase for Goal 2 activities is \$1.3 million over FY 1998.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- ICDE is requesting a total of \$28.3 million for Goal 4 activities to support U.S. Customs Service programs in FY 1999. This funding level represents a net increase of \$0.9 million over the FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- ICDE reports no new program accomplishments for the fiscal year just ended.

INTERNAL REVENUE SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$49.908	\$49.242	\$49.764
Goal 5	<u>23.455</u>	<u>22.848</u>	<u>23.305</u>
Total	\$73.363	\$72.090	\$73.069
Drug Resources by Function			
Investigations	\$56.321	\$53.918	\$55.589
Intelligence	15.372	16.436	15.690
International	<u>1.670</u>	<u>1.736</u>	<u>1.790</u>
Total	\$73.363	\$72.090	\$73.069
Drug Resources by Decision Unit			
Narcotics Crimes	\$58.548	\$56.202	\$57.944
Currency Transaction Reports	<u>14.815</u>	<u>15.888</u>	<u>15.125</u>
Total	\$73.363	\$72.090	\$73.069
Drug Resources Personnel Summary			
Total FTEs (direct only)	945	929	929
Information			
Total Agency Budget	\$7,102.7	\$7,804.8	\$8,338.2
Drug Percentage	1.0%	0.9%	0.9%

II. METHODOLOGY

- The Internal Revenue Service (IRS) drug control budget contains two components: Criminal Investigation (CI) and Currency Reporting Forms Processing.
- IRS-CI commits 23 - 25 percent of its Direct Investigative Time to the investigation and prosecution of Drug and Drug Money Laundering Organizations.
- Currency Reporting Forms Processing: The resources expended to process the Currency Reporting Forms, such as Currency Transactions Reports and Suspicious Activity Reports as required by the Bank Secrecy Act. Forms are processed for reporting banks, financial institutions, and non-bank money services businesses. This program activity is reported in a separate account in IRS's budget activities and is scored as 100 percent drug-related.

III. PROGRAM SUMMARY

- The IRS-Criminal investigation is charged with the enforcement of the criminal statutes contained in the Internal Revenue Service Code (Title 26), the criminal statutes contained in the Bank Secrecy Act (Title 31) and the Money Laundering Control Act (Title 18), in order to encourage and achieve, directly or indirectly, voluntary compliance with the Internal Revenue laws.

- The IRS-CI accomplishes its mission in supporting the overall IRS mission through the investigation of criminal violations under its purview through its two program areas, the Fraud Program and the Narcotics Program. The Narcotics Program supports the National Drug Control Strategy through investigations and prosecutions.
- The IRS-CI has also developed and is implementing an international strategy to accomplish its law enforcement objectives in the international arena. The IRS-CI strategy calls for the placement of Special Agents in overseas Posts-of-Duty. These Special Agents facilitate the development and utilization of information obtained in foreign countries in support of criminal investigations over which CI has law enforcement responsibility.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 program provides \$72.1 million and 929 FTE.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- Of the total counternarcotics funding received by the IRS, \$49.2 million supports IRS-CI's effort in the investigation of drug organizations, including domestic drug money laundering organizations. The program provides IRS-CI the ability to participate in the Organized Crime Drug Enforcement Task Force, the High Intensity Drug Trafficking Areas, the High Level Drug Leaders Project and various Financial Investigative Task Forces established by IRS-CI.

Goal 5: Break foreign and domestic drug sources of supply.

- The IRS international strategy is designed to accomplish its law enforcement objectives in the international arena. In FY 1998, the IRS will fund \$22.8 million for Goal 5 activities. In addition to the placement of Special Agents in overseas Posts of Duty, the IRS places Special Agents in the intelligence community served by Interpol.
- The IRS, together with its Attache's, provide assistance to foreign governments as it relates to the establishment and/or enhancement of money laundering, criminal tax, and asset forfeiture law. They assist foreign governments in the development of, and improvement to, the exchange of information agreements. They also provide anti-money laundering training courses and financial investigative techniques training courses in conjunction with their National Training Academy in Glynco, GA, with the assistance of their Attache's stationed in foreign posts of duty.

1999 Request

- The IRS is requesting a total of \$73.1 million and 929 FTE in FY 1999. This represents an increase of \$1.0 million over the FY 1998 funding level.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$49.8 million, a net increase of \$0.5 million over FY 1998.

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$23.3 million, a net increase of \$0.5 million over FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, the IRS-CI recommended prosecution on 1,283 narcotics cases. Approximately 65 percent (projected) of all narcotics cases investigated by IRS-CI recommend prosecution on money laundering violations.
- In FY 1997, the IRS-CI initiated 1,617 investigations which related to IRS-CI's narcotics program. Of the investigations initiated under the narcotics program in FY 1997, 87 percent, or 1,407, involved money laundering or currency crime violations.
- In FY 1997, the IRS-CI recommended prosecution on 1,283 investigations initiated in the narcotics program.
- In FY 1997, the IRS-CI had 1,214 indictments/information's returned as a result of investigations initiated in the narcotics program.
- In FY 1997, the IRS-CI documented over \$4 billion in provable money laundering transactions associated with all (fraud and narcotics) money laundering cases. Over the three year period of 1995 through 1997, IRS-CI documented in excess of \$11 billion in provable money laundering transactions associated with all money laundering cases.

UNITED STATES SECRET SERVICE

I. RESOURCE SUMMARY

	(Budget Authority in Millions)		
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$73.824	\$77.334	\$78.820
Goal 3	5.244	5.466	5.756
Total	\$79.068	\$82.800	\$84.576
Drug Resources by Function			
Prevention	\$5.244	\$5.466	\$5.756
Investigations	73.824	77.334	78.820
Total	\$79.068	\$82.800	\$84.576
Drug Resources by Decision Unit			
Investigations	\$70.314	\$73.812	\$76.870
Administration	2.633	2.779	2.867
Protective Operations	2.611	2.687	2.889
Crime Control Act	3.510	3.522	1.950
Total	\$79.068	\$82.800	\$84.576
Drug Resources Personnel Summary			
Total FTEs (direct only)	601	664	661
Information			
Total Agency Budget	\$531.3	\$565.0	\$594.7
Drug Percentage	14.9%	14.7%	14.2%

II. METHODOLOGY

- The estimate that 39 percent of the workload of the Investigation Activity is drug related is based upon actual staff hours expended in the sample year 1990, plus an additional 54 FTE specifically earmarked by the Congress in FY 1992 for drug enforcement activities incidental to work with task forces targeting West African criminal organizations. The 7 percent and one percent figures for the Protective and Administrative Activities' involvement also rely on the use of actual staff hours data for FY 1990.

III. PROGRAM SUMMARY

- The Secret Service drug-related investigative activities support Goal 2 of the National Drug Control Strategy. The Service's employee and applicant drug testing, protectee drug-related speeches, and protection for protectees involved in other drug enforcement related activities support Goal 3 of the National Drug Control Strategy.
- The mission of the Secret Service includes the authority and responsibility to:
 - Protect the President, the Vice President, the President-elect, the Vice President-elect, and members of their immediate families; major Presidential and Vice Presidential candidates; former Presidents, their spouses and minor children; and visiting heads of foreign States/governments.

- Provide security for the White House Complex and other Presidential offices, for the official residence of the Vice President, and for foreign diplomatic missions in the Washington, DC metropolitan area.
- Detect and arrest any person committing an offense against the laws relating to currency, coins, obligations, and securities of the United States or foreign governments.
- Detect and arrest those persons violating laws pertaining to electronic funds transfer frauds, credit card and debit card frauds, fraud involving federally insured financial institutions, false identification documents or devices, and computer access fraud.
- Resources identified are based upon a methodology which incorporates pay, benefits and support costs of FTE devoted to drug enforcement activities. These include criminal investigations, federal/state/local task force involvement, employee and applicant drug testing, protectee drug related speeches, and protection for protectees involved in other drug enforcement related activities.

IV. BUDGET SUMMARY

1998 Program

- The FY 1998 base program includes \$77.3 million for investigative activities which support Goal 2 of the National Drug Control Strategy and \$5.5 million in prevention activities which support Goal 3 of the National Drug Control Strategy.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- In FY 1998, the Service will shift 119 FTE to the Investigations Activity from the Candidate/Nominee Activity (one of the protective operations activities) because of the end of the 1996 Presidential campaign. Although the Service has proposed no new budgetary resources specifically devoted to carrying out the National Drug Control Strategy, it will continue to devote 39 percent of its investigative resources, 7 percent of its protective operations resources and one percent of its administrative resources to drug-related activities.

1999 Request

- The Service's FY 1999 drug-related resources are \$84.6 million, an increase of \$1.8 million over the FY 1998 enacted level.
- In FY 1999, the Service will shift 10 FTE to the Protective Operations Activity in preparation for the 2000 Presidential Campaign.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The total drug control request for Goal 2 activities for FY 1999 is \$78.8 million, a net increase of \$1.5 million over FY 1998.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The total drug control request for Goal 3 activities for FY 1999 is \$5.8 million, a net increase of \$0.3 million over FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- The Secret Service investigates organized criminal groups. These groups target financial institutions with a multitude of fraudulent schemes in order to secure funding for their drug operations. Organized criminal groups are involved in myriad criminal activities, from financial crimes to the trafficking in narcotics. Financial institutions are being used more frequently as a medium to support these and other more violent activities perpetrated by the Nigerian criminal elements, Asian triads, Russian, Middle Eastern, and other more traditional organized criminal groups.
- Outlined below are several examples of the many Secret Service program accomplishments in the drug control effort:
- In March 1997, Houston police officers and agents of the Secret Service arrested two individuals with \$45,000 in counterfeit \$100 and \$50 Federal Reserve Notes. A confidential informant provided information that the two individuals intended to use the counterfeit currency for a drug purchase/rip-off. A search revealed two loaded 9mm handguns in addition to the counterfeit money.
- In September 1997, Secret Service and U.S. Customs agents arrested two individuals in possession of \$67,500 in counterfeit \$100 Federal Reserve Notes, as well as 1-1/2 kilograms of heroin in Miami, Florida. Both individuals were arrested after agents were given information that the two would be transporting counterfeit currency from Colombia, South America. The two were to deliver the counterfeit currency and heroin secreted in their luggage to New York City, New York and Los Angeles, California.
- In October 1997, Secret Service agents arrested two individuals after suppressing a counterfeit printing operation in Upper Marlboro, Maryland. Consent searches of one of the suspect's business, residence, and vehicle revealed \$3,090 in counterfeit currency, 365 grams of cocaine, 60 grams of crack cocaine, fifteen stolen cellular telephones and numerous weapons. Equipment to reprogram the cellular telephones, as well as the computer equipment to print counterfeit U.S. currency, was also seized.

TREASURY FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 2	\$211.616	\$194.224	\$179.477
Goal 4	<u>0.250</u>	<u>0.250</u>	<u>0.250</u>
Total	\$211.866	\$194.474	\$179.727
Drug Resources by Function			
Investigations	\$151.616	\$134.224	\$119.477
State & Local Assistance	60.000	60.000	60.000
Interdiction	<u>0.250</u>	<u>0.250</u>	<u>0.250</u>
Total	\$211.866	\$194.474	\$179.727
Drug Resources by Decision Unit			
Definite Budget Authority	\$8.200	—	—
Permanent Indefinite Authority	<u>203.666</u>	<u>\$194.474</u>	<u>\$179.727</u>
Total	\$211.866	\$194.474	\$179.727
Drug Resources Personnel Summary			
Total FTEs ¹	—	—	—
Information			
Total Agency Budget	\$258.4	\$237.2	\$219.2
Drug Percentage	82.0%	82.0%	82.0%
¹ Drug resource personnel are reported directly to ONDCP by each of the Treasury law enforcement bureau.			

II. METHODOLOGY

- The drug control percentage has been adjusted as a result of a line-by-line review of the drug-related spending from the Fund. A weighted average was calculated and appears in the figures above.

III. PROGRAM SUMMARY

- The Treasury Forfeiture Fund (TFF) was established by the Treasury Department Appropriations Act, P.L. 102-393 as a special fund. Special funds consist of separate receipt and expenditure accounts. The TFF has two accounts for paying fund expenses—a permanent indefinite and an annual appropriation. The permanent indefinite appropriation is available for purposes related to specific seizures. The annual appropriation is enacted in the Treasury Appropriations Act and represents a congressional limitation on the use of the proceeds of seized for forfeited assets for purposes more generally related to the forfeiture program. In addition, at the end of each fiscal year, the Fund is authorized to reserve unobligated balances of the Fund for future operations.

IV. BUDGET SUMMARY

1998 Program

- Drug control resources of the TFF total \$194.5 million in FY 1998. This budget is devoted almost exclusively to increasing the safety of America's citizens by substantially reducing drug-related crime and violence. A small amount (one-eighth-of-one-percent) of the total budget support activities that shield America's air, land, and sea frontiers from the drug threat.

Goal 2: Increase the safety of America's citizens by substantially reducing drug-related crime and violence.

- The Youth Crime Gun Initiative (YCGI) program is supported by the TFF. This program received \$9.5 million in FY1998 is designed to discourage youth activities which are related to drugs and violence.
- Federal, state, and local law enforcement task forces are supported to fight criminal activity related to drugs and violence.
- Investigations and intelligence gathering efforts are supported which lead to seizures and forfeitures of assets obtained through the sales of illegal drugs.

Goal 4: Shield America's air, land, and sea frontiers from the drug threat.

- Multilateral intelligence sharing with other governments has been supported by the Fund.
- The TFF provided \$250,000 for interdiction operations conducted by the U.S. Coast Guard in vessel seizures in conjunction with the U.S. Customs Service.

1999 Request

- The total drug control budget request is \$179.7 million, which includes a nonrecurring reduction of \$14.7 million below the FY 1998 level for Goal 2 activities. Total funding for Goal 5 activities will be \$250,000, the same level as FY 1998.

V. PROGRAM ACCOMPLISHMENTS

- Reimbursing proper expenses of seizure and forfeiture, sharing funds with state and local law enforcement agencies, and managing the resources of the fund constitute the main achievements of the TFF. These achievements apply mostly to the investigations into money laundering and illegal drug activity conducted within the United States.
- Domestic efforts in training law enforcement officers in the asset forfeiture process were conducted as a means of facilitating investigations wherein money laundering and other proceeds from illegal drug activity are affecting the United States.

U. S. INFORMATION AGENCY

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 5	<u>\$7.182</u>	<u>\$7.322</u>	<u>\$7.552</u>
Total	\$7.182	\$7.322	\$7.552
Drug Resources by Function			
International	<u>\$7.182</u>	<u>\$7.322</u>	<u>\$7.552</u>
Total	\$7.182	\$7.322	\$7.552
Drug Resources by Decision Unit			
Overseas Missions	\$4.790	\$4.824	\$4.952
Information Programs, Exchanges and Research	1.825	1.909	1.995
Broadcasting	<u>0.567</u>	<u>0.589</u>	<u>0.605</u>
Total	\$7.182	\$7.322	\$7.552
Drug Resources Personnel Summary			
Total FTEs (direct only)	107	107	107
Information			
Total Agency Budget	\$1,104.0	\$1,125.3	\$1,236.0
Drug Percentage	0.7%	0.7%	0.6%

II. METHODOLOGY

- The drug percentage figure is based on estimates provided by the six geographic area offices, the Bureau of Educational and Cultural Affairs, the Office of Research and Media Reaction, the Bureau of Information, the International Broadcasting Bureau, and the Office of the Director. Programs involve grants (including speaker programs, educational exchanges and foreign visitors to the U.S.) that are directly attributable to drug control.
- It is more difficult to calculate the drug control portion of other activities: the costs of radio broadcast and Internet sites, for example, are spread over a number of thematic areas. An attempt has been made to estimate some of those amounts. Areas in which the costs are not possible to attribute to drug control include the press support provided by overseas posts for visiting U.S. officials and the contact work done by officers in the field with key foreign publics.

III. PROGRAM SUMMARY

- The mission of the U.S. Information Agency (USIA) is to inform foreign audiences about U.S. government policies. Through the use of multilingual media products, exchange programs and the activities of its overseas posts, USIA explains policy within a foreign cultural context and seeks to influence public opinion through interaction with key host country media, academic institutions, government departments, and non-government organizations (NGOs). USIA officers abroad seek to facilitate contact and broaden the dialogue between U.S. institutions and their counterparts in other countries.

- USIA's drug control efforts support Goal 5 of the National Drug Control Strategy—"Break foreign and domestic drug sources of supply." Public affairs programming is designed to build understanding and support for U.S. international counterdrug activities. It provides timely and accurate information about U.S. policies and programs, demonstrates the threat posed by drug trafficking to source and transit countries, and strengthens the capacity of foreign countries to fight drug abuse, trafficking and related criminal activities. USIA's counterdrug programs are carried out in the following ways:
 - **Overseas Posts.** USIA officers at 190 U.S. Information Service (USIS) posts in 141 countries direct public affairs programs on drug issues under the direction of the ambassador and in close collaboration with State, DEA, and other U.S. government agencies. USIS posts provide information products to the media, organize press support for visiting U.S. government officials, build relationships with key government and non-government organizations, arrange speaker programs and workshops for selected audiences, and administer exchange-of-persons programs. The drug-producing and transit countries of Latin America continue to be USIA's primary focus for building public support against illegal drugs. Posts in the heroin-producing and drug transit countries of Asia, Africa, and Europe conduct more limited programs.
 - **Information, Exchanges, and Research.** USIA supports the activities of its overseas posts with products and services from its Washington headquarters: news, official texts and other materials on drug issues are transmitted electronically to the field or posted on the agency's various Internet sites; American experts are recruited to participate in speaker programs, teleconferences and seminars; and reference services are available to respond to inquiries from post contacts. Professional and academic exchange programs on drug-related issues are conducted to enable Americans and their international counterparts to compare techniques and experiences. USIA also conducts polls of foreign public opinion and analyzes the reporting of foreign media on U.S. programs and policies related to drugs.
 - **Broadcasting.** USIA regularly provides news, features, and interviews on drug issues through the Voice of America's 52 language services and through affiliated media outlets Radio Marti, Radio Free Europe, Radio Liberty, and Radio Free Asia. The Worldnet television service transmits news stories, public service announcements, and documentaries for use at field posts or for rebroadcast by foreign media and conducts interactive teleconferences via satellite on drug-related issues.

IV. BUDGET SUMMARY

1998 Program

Goal 5: Break foreign and domestic drug sources of supply.

- USIA's budget estimate for FY 1998 totals \$7.3 million, an increase of \$0.1 million from the FY 1997 funding levels, covers increases in operating costs.
 - A total of \$4.8 million will be spent on drug-related activities at USIA's posts overseas. This base program includes the cost of media programs, salaries and administrative overhead, and local costs for seminars and speaker programs. In addition to these funds, the Department of State Embassy Narcotics Affairs Sections expends funds in support of USIA programs, particularly on demand reduction and prevention. In FY 1998, USIA implemented an international public affairs strategy in concert with other USG agencies to improve coordination and effectiveness of U.S. government expenditures across agencies on public diplomacy concerning drug control.

- Washington-based activities will spend \$1.9 million, including: (1) \$1.2 million for International Visitor, Hubert Humphrey, Fulbright and other drug-related exchange programs (2) \$0.5 million for information programs including teleconferencing, speaker programs, texts, background articles, and reference services; and (3) \$0.2 million for foreign media analysis and public opinion research and overall policy coordination.
- The Bureau of Broadcasting will spend a total of \$0.6 million on the Voice of America's multi-language news and features programs and on Worldnet television programs, including live teleconferences.

1999 Request

Goal 5: Break foreign and domestic drug sources of supply.

- The total drug control request for Goal 5 activities for FY 1999 is \$7.6 million, a net increase of \$0.3 million over FY 1998. The 1999 request will allow USIA to maintain FY 1998 programming levels despite continuing declines in its overall resources. The additional funding covers anticipated increases in overseas and domestic salaries and other operation costs, but no new program initiatives. Most of these resources will be focused on efforts in the Western Hemisphere.

V. PROGRAM ACCOMPLISHMENTS

- In FY 1997, USIA and its USIS posts abroad employed a wide range of program tools to advance Goal 5 of the National Drug Control Strategy. Many activities provided support for the Strategy by ensuring that foreign publics had accurate information about U.S. policies and programs. These efforts contributed to strengthening support for and understanding of U.S. actions to control drugs at home and abroad. Among the many positive outcomes were the following:
 - A long-term public affairs campaign by the USIS post in La Paz resulted in a 60% drop in negative articles on U.S. counterdrug efforts in Bolivia, and a corresponding increase in positive coverage. By targeting influential media outlets and commentators and constructing a database to monitor coverage over two years, USIS La Paz showed a dramatic change in the focus of Bolivian media editorials and general attitudes towards counterdrug efforts.
 - An International Visitor program for participants from Cyprus, Malta, Egypt, Israel, and Portugal led to the creation of the European-Mediterranean Partnership Against Substance Abuse. The new organization, which includes both Turkish and Greek Cypriots, is establishing a regional database and offering low-cost, professional education and treatment programs. Its regional approach to combating narcotics addiction and trafficking was a direct result of the group's exposure to anti-drug programs in the U.S.
 - The USIS post in Bangkok was successful in broadening public support for the recapture, in Thailand, of bail-jumper Li Yung-Chung, accused of drug offenses in the U.S. This public affairs initiative resulted in editorials in major Thai media which led to increased efforts and the ultimate recapture of Li, who was extradited to the U.S. The Voice of America's Thai service broadcast a series of special reports on Li's extradition and return to the U.S.

- A series of media interviews with Ambassador Frechette, arranged by USIS Bogota, provided an effective forum for stating the U.S. position in the wake of the announcement of decertification of Colombia. Reaching an estimated 6.7 million Colombians, the ambassador articulated U.S. concerns about the Colombian government's counterdrug cooperation and its policies on extradition and eradication. These prime-time interviews were given prominent news play and served as a rebuttal to the anti-U.S. rhetoric that followed the decertification announcement.
- In Santo Domingo, a USIS public affairs campaign designed to gather public support for extraditing Dominicans fleeing criminal prosecution in the U.S. brought sharp public focus to this drug-related issue. The campaign was an influential factor in the landmark extraditions of two of the most notorious Dominican fugitives from American justice, Maximo Reyes and Francisco Medina.
- Students and educators from Alaska and Russia are working to develop anti-drug and anti-alcohol abuse training programs and health fair exhibits for presentation in both countries. The program, funded by a USIA grant to the Secondary School Linkages Program, calls for the exchange of groups of Russians and Americans to share ideas and experiences on these issues.
- USIS La Paz, working with a private Bolivian television network, USAID and the Embassy Narcotics Affairs Section, produced a series of 12 short TV documentaries intended to increase Bolivian public support for joint U.S./Bolivian alternative development and counterdrug programs. An important component in the embassy's overall public affairs strategy for Bolivia, the series ran over a four-month period. During that time, viewership increased by a factor of three, ultimately reaching 94,000 homes.
- Years of close cooperation between the USIS post in Mbabane and key officials in Swaziland came to fruition in a national drug demand reduction program launched in December 1996. With the engagement of the country's top policy makers and a contribution of funds from U.S. sources, this campaign to reduce local drug consumption employs strategies such as theater performances to dramatize the anti-drug message in the countryside.
- In Costa Rica, a USIA-recruited drug prevention specialist worked with fifty Ministry of Education officials and school guidance counselors on developing a drug prevention program on the positive prevention model. After a period of evaluation, the techniques are likely to be adopted nationally, providing the country with its first comprehensive drug prevention school program.

DEPARTMENT OF VETERANS AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)			
Drug Resources by Goal	1997 Actual	1998 Enacted	1999 Request
Goal 3	\$1,056.572	\$1,097.202	\$1,139.074
Total	\$1,056.572	\$1,097.202	\$1,139.074
Drug Resources by Function			
Prevention	\$0.146	\$0.341	\$0.345
Treatment	1,052.026	1,092.291	1,133.999
Treatment Research	4.400	4.570	4.730
Total	\$1,056.572	\$1,097.202	\$1,139.074
Drug Resources by Decision Unit			
Medical Care	\$1,052.172	\$1,092.632	\$1,134.344
Research	4.400	4.570	4.730
Total	\$1,056.572	\$1,097.202	\$1,139.074
Drug Resources Personnel Summary			
Total FTEs (direct only)	16,058	16,058	16,058
Information			
Total Agency Budget	\$47,486.8	\$51,706.1	\$52,204.1
Drug Percentage	2.2%	2.1%	2.2%

II. METHODOLOGY

- “Treatment Costs” represent the cost for all inpatient and outpatient care of veterans with a primary or associated diagnosis of drug abuse. These figures include the cost of care for these patients in the following: specialized drug abuse treatment programs; specialized substance abuse programs treating veterans with alcohol and/or drug abuse problems; and, all other medical programs (e.g., medicine, surgery, psychiatry, etc.).
- For specialized drug abuse treatment programs, 100% of the costs are included. However, the majority of patients receiving specialized treatment for drug abuse problems receive their care in substance abuse treatment programs. Substance abuse treatment programs provide services to drug abusers, alcohol abusers and poly-substance abusers. The costs allocated for the treatment of veterans with drug abuse problems in these programs are based upon an analysis of the proportion of drug abuse diagnoses within the total substance abuse population treated in the specialized programs. In determining the treatment costs for drug use disorders in specialized substance abuse treatment programs, 62.9% of the total costs of these programs is allocated.
- The other related medical costs for drug abuse patients (i.e., costs for care other than specialized drug treatment in dedicated drug or substance abuse programs) is comprised of five general components: 100% of the other related medical costs for patients with a drug diagnosis and treated in a specialized drug program; 100% of the other related medical costs for patients with a primary drug diagnosis and treated in a specialized substance abuse treatment program; 100% of the other related medical costs for patients with a primary drug diagnosis and treated in programs other than specialized drug or substance

abuse programs; 50% of the other related medical costs for patients with a second diagnosis (not primary) involving drug abuse and treated in programs other than specialized drug or substance abuse programs; 25% of other related medical costs for patients with an associated (not first or second) drug diagnosis and treated in programs other than specialized drug or substance abuse program.

III. PROGRAM SUMMARY

- The Department of Veterans Affairs, through its Veterans Health Administration, operates a network of substance abuse treatment programs located in the Department's medical centers, domiciliaries and outpatient clinics. VA plays a major role in the provision of services to veterans who are "service connected" or indigent. (The term "service connected" refers to injuries sustained while in military service, especially those injuries sustained as a result of military action). All of the drug-related resources support Goal 3 of the National Drug Control Strategy.
- The investment in health care and specialized treatment of veterans with drug abuse problems identified as funded by the resources in Medical Care helps avoid future health, welfare and crime costs associated with illegal drug use.
- In coordination with NIDA on how to best employ outreach models, VA has been a participant in the Treatment Improvement Protocol (TIP) initiative developed by the Center for Substance Abuse Treatment of SAMHSA in HHS. A component of this project is the specific development of a TIP relating to case management and the associated facilitation of access to treatment.
- The dollars expended in research help to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and acquire new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans health care.
- The Department of Veterans Affairs, in keeping with modern medical practice, continues to improve service delivery by expanding primary care and shifting treatment services to lower cost settings when clinically appropriate. Included in this shift to more efficient and cost effective care delivery has been VA's substance abuse treatment system. Initial data suggest these shifts in care delivery may impact budgets in future years. The exact nature of the impact, if any, cannot be determined until additional trend data becomes available.

IV. BUDGET SUMMARY

1998 Program

- The 1998 base contains an estimated \$1,092.632 million towards this program for medical care. This program consists of \$520.571 million for inpatient drug abuse care and treatment, \$571.720 million for outpatient treatment and \$0.341 million for prevention activities. Evaluation of substance abuse treatment programs will continue in 1999.
- The 1998 base contains \$4.57 million for research and development to be applied towards drug abuse related research.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- Strategy: Improve access to diagnostic and treatment services for addicted veterans, thereby relieving suffering and avoiding further social, medical and psychiatric complications.
 - Performance Goal 1: in FY 1998, all newly admitted patients with a primary substance use disorder diagnosis will be tested with the Addiction Severity Index (ASI) instrument. All patients with a primary substance use disorder diagnosis will receive a follow-up ASI at 6-month intervals. At least 50% of the patients whose initial ASI was administered within 14 days of admission to a new episode of care and who have received no treatment in the 30 days prior to admission will show 25% or more improvement in their drug composite score and at least one other composite score. By FY 2003, the proportion of patients who demonstrate improvement will increase to 75%.
 - External Factors: VA treatment goals are guided by the Office of National Drug Control Policy. To implement this goal VA will develop a “train-the-trainers” program to assure that each VISN has an adequate cohort of clinicians to administer the ASI. Each VISN will select two candidates to attend a training program for trainers. These individuals will then function as training resources for clinical facilities in their VISNs.

1999 Request

- The 1999 request is a total of \$1,139.074 million, an increase of \$41.872 million. The request is composed of \$1,134.344 million for medical care and \$4.730 million for drug abuse related research. In conjunction with the Department of Health and Human Services (HHS) and the Department of Justice (DOJ), the Department of Veterans Affairs (VA) will make available to communities its expertise in drug treatment theory and program development. The emphasis will be on the establishment of a treatment continuum, the implementation of patient/treatment matching and methods of evaluating treatment outcome. VA will be able to accomplish this within existing resources, primarily through its Center of Excellence in Substance Abuse Treatment and Education (CESATE) and its Program Evaluation and Resource Center (PERC). These two entities already provide these services within VA and will be made available for integration into similar activities within HHS and DOJ.

Goal 3: Reduce health and social costs to the public of illegal drug use.

- The 1999 request includes the following Goal 3 enhancements:
 - Increase treatment efficiency and effectiveness. Provide information on successful methods in various programs and the number of referrals that enter treatment. The dollars expended in research help to meet this goal and objective by (1) acquiring new knowledge to improve the prevention, diagnosis and treatment of disease, and (2) to acquiring new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans health care.
 - Use effective outreach referral and case management efforts to facilitate early access to treatment. In coordination with NIDA on how best to employ outreach models, VA has been and will continue to be a participant in the Treatment Improvement Protocol (TIP) initiative developed by the Center for Substance Abuse Treatment of SAMHSA, HHS. A component of this project is the specific development of a TIP relating to case management and the associated facilitation of access to treatment. Previously issued TIPs have been made available to VA treatment programs, and have been used in VA’s continuing education activities. This will continue in the future.

V. PROGRAM ACCOMPLISHMENTS

- Specialized substance abuse treatment services are available at 126 VA Medical facilities.
- VA continues to provide inpatient treatment services to veterans with significant substance abuse and psychosocial problems: 35% are 50 and older, 75% are not married, 36% are members of an ethnic minority, and 33% have service-connected disabilities. Among patients with drug diagnoses treated in specialized inpatient substance abuse units, 63% abuse cocaine, 21% abuse opioids, and 37% have co-existing psychiatric diagnoses.
- The Program Evaluation and Resource Center (PERC), Palo Alto VAMC, is conducting a major process-outcome evaluation of substance abuse treatment programs. PERC is focusing on substance abuse treatment programs at 13 VAMCs that follow a traditional 12-step and/or a cognitive behavioral treatment approach. These are the two most prevalent treatment orientations in VA programs. Intake and discharge data have been collected on over 3,000 patients; one- and two-year follow-ups are being conducted. Treatment outcome will be assessed in terms of drug and alcohol use, problems related to use, depression, employment and readmission for treatment. The project will also examine the processes underlying the two treatment approaches and whether certain types of patients fare better in each type of treatment.
- A second outcome-oriented evaluation focuses on the VA's Contract Residential Facilities (CRF) Program that provides residential care which serves as a bridge between inpatient treatment and independent life in the community for selected substance abuse patients. Four-year follow-up findings for patients referred to CRFs in FY97 indicate that those who had longer episodes of residential care were less likely to be readmitted for substance abuse treatment or psychiatric care. A survey of CRFs identified three models of care in such facilities (psychosocial model, supportive rehabilitation model, and intensive treatment model). A prospective follow-up study of patients admitted to CRFs is being conducted to estimate more accurately the effects of such care, to determine the processes that account for those effects, and to identify the characteristics of patients who are the best candidates for placement in different models of CRF care.
- The Program Evaluation and Resource Center is working with Mental Health and Behavioral Sciences Service to develop a system of indicators to monitor the provision of services to veterans with substance use disorders. The first phase of development will test monitors designed to assess the effectiveness of early intervention as well as monitors measuring access to treatment and continuity of services. Later phases will evaluate treatment outcome using indicators such as changes in substance use, medical and psychiatric status, economic status and social conditions after receipt of services.